
STATE OF CONNECTICUT,

Issuer

and

THE CONNECTICUT NATIONAL BANK,

Trustee

Indenture Of Trust

Dated as of December 1, 1990

Second Lien Special Tax Obligation Bonds

Transportation Infrastructure Purposes

INDENTURE OF TRUST

TRANSPORTATION INFRASTRUCTURE PURPOSES

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THIS INDENTURE OF TRUST (the "Indenture") is made and entered into as of December 1, 1990, by and between the STATE OF CONNECTICUT ("State") and THE CONNECTICUT NATIONAL BANK, duly organized, existing and authorized to accept duties and obligations of the character herein set out under and by virtue of the laws of the United States of America, with its principal office located in Connecticut ("Trustee").

WITNESSETH:

WHEREAS, pursuant to Chapter 243 of the Connecticut General Statutes, as amended, the State is authorized to issue special tax obligation bonds from time to time in one or more series whenever the General Assembly of the State has empowered the State Bond Commission to authorize such bonds for specific transportation projects and uses and has found that such projects and uses are for any of the purposes enumerated in such Act, and the State Bond Commission has found that the authorization of such bonds will be in the best interests of the State; and

WHEREAS, special tax obligation bonds issued pursuant to Chapter 243 of the Connecticut General Statutes, as amended, have been determined by the General Assembly to be issued for valid public purposes in exercise of essential governmental functions; and

WHEREAS, pursuant to Chapter 243 of the Connecticut General Statutes, as amended, the State has entered into an Indenture of Trust, dated as of September 15, 1984 (the "Prior Indenture"), with The Connecticut National Bank, as trustee, as supplemented and amended from time to time, for the purposes of issuing Special Tax Obligation Bonds thereunder (the "Prior Bonds"), and entered into certain undertakings and covenants thereunder; and

WHEREAS, pursuant to Chapter 243 of the Connecticut General Statutes, as amended, certain revenues of the State credited to the special transportation fund pursuant to the provisions of subsection (b) of Section 13b-61 of the General Statutes of the State, as amended, are subjected to a pledge and lien to pay the Debt Service Requirements (as hereinafter defined) of the Prior Bonds; and

WHEREAS, pursuant to Section 2.7 of the Prior Indenture, the State is authorized to issue bonds, notes, certificates, warrants or other evidences of indebtedness payable as to principal and interest from the special transportation fund subject and subordinate to the deposits and credits required to be made to the note repayment account and the debt service account under the Prior Indenture and to secure such bonds, notes, certificates, warrants or other evidences of indebtedness and the payment thereof by a call upon the Pledged Revenues and a lien on and pledge of the special transportation fund junior and inferior to the first call on the Pledged Revenues and to the lien on and pledge of the special transportation fund created by the Indenture and other receipts, funds or moneys pledged in the Prior Indenture for the payment and security of the Bonds; and

WHEREAS, the State desires to issue Special Tax Obligations Bonds and enter into arrangements in connection with the issuance of such bonds on terms administratively less complex than would be required if such Bonds were issued pursuant to the Prior Indenture, and desires to issue such Bonds in one or more series from time to time as may be permitted by applicable statute; and

WHEREAS, one or more series of bond anticipation notes (hereinafter defined and referred to as the "Notes") may be issued pursuant to the Act (as hereinafter defined) and this Indenture to provide temporary financing for transportation purposes pending the issuance of the Bonds; and

WHEREAS, in furtherance of the issuance of the Bonds and pursuant to the Act the State desires to enter into this Indenture with the Trustee in order to secure the payment of the principal of and the interest and premium, if any, on the Bonds, together with payments under any Credit Facility or Qualified Swap and the performance of the covenants and agreements contained herein and in any Credit Facility or Qualified Swap; and

WHEREAS, all things necessary to make the Bonds, when issued and authenticated by the Trustee as in this Indenture provided, the valid, binding and legal obligations of the State according to the import thereof, and to constitute this Indenture a valid assignment and pledge of the revenues pledged to the payment of the principal of and the interest and premium, if any, on the Bonds and all other amounts due in connection therewith have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and delivery of the Bonds subject to the terms hereof, have in all respects been duly authorized:

NOW, THEREFORE, KNOW ALL
PERSONS BY THESE PRESENTS:

GRANTING CLAUSES

That the State in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the holders and owners thereof and of the sum of One Dollar (\$1.00) lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable considerations, the receipt of which is hereby acknowledged, and in order to secure the payment of the Debt Service Requirements on the Bonds and Notes according to their tenor and effect and all other amounts due in connection therewith, including the obligations to make payments to the provider of any Credit Facility or Qualified Swap, and the performance and observance by the State of all the covenants expressed or implied herein, in the Bonds and Notes and any Credit Facility or Qualified Swap, does hereby grant to the Trustee a first call on Pledged Revenues (as hereinafter defined) as they are received by the State and credited to the Special Transportation Fund (as hereinafter defined) and does hereby grant, bargain, sell, convey, pledge and assign unto the Trustee, and unto its respective successors in trust, and to their respective assigns, forever, for the securing of the performance of the obligations of the State hereinafter set forth, a lien upon and security interest in (1) any and all amounts held to the credit of the Special Transportation Fund from time to time, exclusive of amounts held to the credit of such Special Transportation Fund which represent (a) amounts borrowed by the Treasurer of the State in anticipation of revenues pursuant to Section 3-16 of the General Statutes of the State, and (b) transportation related federal revenues of the State, and (2) any and all amounts held by the Trustee to the credit of any fund or account created under this Indenture, being hereinafter referred to collectively as the "Trust Estate".

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors and assigns in trust forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future holders of the Bonds and Notes from time to time issued under and secured by this Indenture, the provider of any Credit Facility and the provider of any Qualified Swap without privilege, priority or distinction as to the lien or otherwise of any Bond, Note or Credit Facility or Qualified Swap over any other, except as set forth in this Indenture, and for enforcement

of the payment of the Bonds and Notes, in accordance with their terms, and all other sums payable hereunder or on the Bonds and Notes and reimbursement or other obligations under any reimbursement or other agreement entered into with respect to such Credit Facility or Qualified Swap, and for the performance of and compliance with the obligations, covenants and conditions of this Indenture;

SUBJECT, HOWEVER, to the call upon the Pledged Revenues and the lien on and pledge of the Special Transportation Fund and other receipts, funds or moneys pledged in the Prior Indenture for the payment and security of the Prior Bonds;

PROVIDED, HOWEVER, that if the State, its successors or assigns shall well and truly pay, or cause to be paid, the principal or redemption price, if any, of and interest on the Bonds and Notes due or to become due thereon, at the times and in the manner mentioned in the Bonds and Notes according to the true intent and meaning thereof, and shall cause the payments to be made as required under Article XI hereof or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture, any Credit Facility and Qualified Swap to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee, the provider of any Credit Facility or Qualified Swap and any paying agent all sums of money due or to become due in accordance with the terms and provisions hereof and thereof then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds and Notes issued and secured hereunder are to be issued, authenticated and delivered, and all said property, rights and interests, including, without limitation, the amounts hereby assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the State has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective holders and owners, from time to time, of the Bonds and Notes, or any part thereof as follows (subject, however, to the provisions of Section 2.1 hereof):

ARTICLE I

DEFINITIONS

Section 1.1. Definition of Specific Terms. For the purpose of this Indenture, the following terms shall have the following meanings:

"Accountant" shall mean the accountant or firm of accountants appointed by the State pursuant to Section 7.4 of this Indenture.

"Act" shall mean collectively, Chapter 243 of the Connecticut General Statutes, Special Act No. 84-52 and any other action of the General Assembly of the State of Connecticut, authorizing Prior Bonds to be issued under the Prior Indenture or Bonds to be issued hereunder, as the same may be amended from time to time.

"Amortization Requirement" for any period (as applied to term bonds issued under the provisions of Sections 2.2 and 2.3 of this Indenture), shall mean the respective amount of principal of term bonds to be amortized in such period with respect to such Bonds as fixed by resolution of the State Bond Commission prior to the delivery of such Bonds. Such Amortization Requirement shall be accrued ratably over the period for which such Amortization Requirement was fixed, and the Amortization Requirement accruing on term bonds of any series for any period other than that for which the State Bond Commission shall have fixed an Amortization Requirement shall be the total of the Amortization Requirement for term bonds of such series accruing in such period. The aggregate amount of such Amortization Requirements for the term bonds of any series shall be equal to the principal amount of the term bonds of such series. The Amortization Requirements for the term bonds of any series shall begin in such year as the State Bond Commission shall determine and shall not end later than the Fiscal Year immediately preceding the maturity of such term bonds.

"Authorized Officer" shall mean the Treasurer of the State, any Deputy Treasurer of the State, or any person designated to the Trustee by such persons as an Authorized Officer.

"Base Interest Rate" shall mean, with respect to any series of Notes or Bonds bearing interest at a variable rate, the average interest rate borne by such series of Notes or Bonds for the twelve full calendar months (or such lesser number of full calendar months as such series of Notes or Bonds shall be outstanding) preceding the date of calculation.

"Bond" shall mean any bond issued pursuant to this Indenture.

"Bond Service Sub-Account" shall mean the separate account created in the Debt Service Account by the provisions of Section 5.3 of this Indenture.

"Bondholder" or "holder" or words of similar import shall mean, when used with reference to the Bonds, the registered owner of any Bond.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Credit Facility" shall mean any credit facility, the costs of which constitute Debt Service Requirements.

"Debt Service Account" shall mean the Second Lien Special Tax Obligation, Transportation Infrastructure Purposes, Debt Service Account, a separate account created within the Special Transportation Fund by the provisions of Section 5.3 of this Indenture.

"Debt Service Requirements" shall mean, for any period, the sum of (A) the principal and interest accruing during such period with respect to Bonds, the interest accruing during such period with respect to Notes and the unrefunded principal accruing during such period with respect to Notes, (B) the purchase price of Bonds and Notes which are subject to purchase or redemption at the option of the holder of such Bond or Note, (C) the amounts, if any, required during such period to establish or maintain the funds or accounts existing under this Indenture at the respective levels required to be established or maintained as provided in this Indenture, (D) expenses of issuance and administration with respect to Bonds and Notes, as determined by the State Treasurer, (E) the amounts, if any, becoming due and payable under a reimbursement agreement or similar agreement entered into pursuant to the proceedings authorizing the issuance of Bonds or Notes and (F) any other costs or expenses deemed by the State Treasurer to be necessary or proper to be paid in connection with the Bonds and Notes, including, without limitation, the cost of any credit facility, including but not limited to a letter of credit or policy of bond insurance, issued by a financial institution pursuant to an agreement approved by the proceedings authorizing the issuance of Bonds or Notes.

"Debt Service Reserve Requirement" shall mean an amount equal to (A) the maximum, for the current or any succeeding Fiscal Year, of the sum of (i) "Principal and Interest Requirements on Prior Bonds" under the Prior Indenture and (ii) Principal and Interest Requirements on Bonds under this Indenture for such Fiscal Year, less (B) the amount on deposit in the "Reserve Account" established under the Prior Indenture. For purposes of this definition only, Principal and Interest Requirements on Bonds for Bonds bearing interest at a variable rate shall be established or reestablished (i) at the date of issuance of such Bonds on the basis of the initial interest rate borne by such Bonds, (ii) at the date a Qualified Swap is entered into with respect to such Bonds on the basis of the fixed rate payable by the State under such Qualified Swap, (iii) at the date a Qualified Swap is no longer in effect with respect to such Bonds on the basis of the Base Interest Rate for such Bonds, and shall remain in effect until so reestablished, and shall otherwise not be recalculated from time to time.

"event of default" shall mean any occurrence or event specified in Article IX of this Indenture.

"Fiscal Year" shall mean the fiscal year of the State, as it may be established by the State from time to time and initially beginning on July 1 and ending June 30 in each year.

"Indenture" shall mean this Indenture, and, unless the context shall clearly indicate otherwise, shall include any and all Supplemental Indentures.

"Infrastructure Improvement Fund" shall mean the Infrastructure Improvement Fund of the State, as provided in Section 5.8 of this Indenture.

"Interest Requirements on Notes" for any period, shall mean the sum of (i) the amount required to pay interest on all Notes which is payable in such period; plus (ii) the amount required to pay interest pursuant to any reimbursement agreement entered into with respect to a credit facility providing for payment of the principal of Notes. In computing the interest payable in any future period on any Note bearing interest at a variable rate, the interest shall be calculated on the basis of the Initial Interest Rate for such Note.

"Note" shall mean any note issued in anticipation of Bonds pursuant to Section 2.4 of this Indenture, including any renewals and replacement Notes.

"Note Repayment Account" shall mean the Second Lien Special Tax Obligation, Transportation Infrastructure Purposes, Note Repayment Account, a separate account within the Special Transportation Fund created by the provisions of Section 5.2 of this Indenture.

"outstanding" when used with reference to Bonds or Notes, as of any particular date, shall mean all such Bonds and Notes which have been authenticated and delivered hereunder, except:

(i) Any Bonds or Notes cancelled after purchase in the open market or because of payment at or redemption prior to maturity;

(ii) any Bonds or Notes (or any portion of either) for the payment or redemption of which cash funds or Government Obligations (as defined in Article XI) or any combination thereof shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bond or Note); provided that if any such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(iii) any Bonds in lieu of which other Bonds have been authenticated under Section 3.7 of this Indenture unless held by a bona fide holder in due course; and

(iv) any Bond deemed to have been paid as provided in Section 11.1 of this Indenture.

"Paying Agent" shall mean any commercial bank with trust powers or trust company, as designated from time to time by the State, authorized to pay the principal of and premium, if any, or interest on any Bonds. The term "Paying Agent" may include the Trustee.

"Pledged Revenues" means the taxes, fees, charges and other receipts of the State credited to the Special Transportation Fund pursuant to Section 13b-61 of the General Statutes of the State, as amended from time to time.

"Principal and Interest Requirements on Bonds" for any period, as applied to Bonds of any series, shall mean the sum of:

(i) the amount of interest payable on all Bonds of such series within such period; plus

(ii) the amount of principal payable within such period with respect to all serial bonds of such series then outstanding; plus

(iii) the Amortization Requirement established for the term bonds of such series for a period ending within such period; plus

(iv) any other amortization or accrual of interest, original issue discount or principal with respect to Bonds of such series required to be made for such period pursuant to the proceedings authorizing Bonds of such series; plus

(v) the amount accruing with respect to principal and interest pursuant to any reimbursement agreement entered into with respect to a Credit Facility.

In computing the Principal and Interest Requirement on Bonds for any period for the Bonds of any series, the Trustee shall assume that an amount of the term bonds (if any) of such series equal to the Amortization Requirement for the term bonds of such series for such period will be retired by purchase or redemption on or before the last day of such period. If any amount is or has been included for any period under clause (iv) above, such amount shall not be included under clause (i), (ii) or (iii) above for any subsequent period. In computing the interest payable in any future period on any Bond bearing interest at a variable rate, the interest shall be calculated on the basis of the Base Interest Rate of such Bond, except that if the State shall have entered into one or more Qualified Swaps with respect to such series of Bonds for such period, then the Bonds of such series in a principal amount equal to the Swap Amount shall be treated for purposes of this definition as bearing interest for such period at the fixed rate payable by the State under such Qualified Swap.

"Principal and Interest Requirements on Prior Bonds", for any period, shall mean the "Principal and Interest Requirements on Bonds", as defined in the Prior Indenture, with respect to all Prior Bonds.

"Prior Bond" shall mean any bond issued pursuant to the Prior Indenture.

"Prior Indenture" shall mean the Indenture, dated as of September 15, 1984, as supplemented and amended from time to time, between the State and The Connecticut National Bank, as trustee.

"Qualified Swap" shall mean any financial arrangement (i) that is entered into by the State with an entity that is a Qualified Swap Provider at the time the arrangement is entered into; (ii) which provides that the State shall pay to such entity an amount based on the interest accruing at a fixed rate on an amount (the "Swap Amount") equal to all or part of the outstanding principal amount of a series of Bonds issued hereunder, and that such entity shall pay to the State an amount based on the interest accruing on such principal amount at a variable rate of interest computed according to a formula set forth in such arrangement (which need not be the same as the actual rate of interest borne by such series of Bonds) or that one shall pay to the other any net amount due under such arrangement; and (iii) which has been designated in writing to the Trustee by an Authorized Officer as a Qualified Swap with respect to a series of Bonds.

"Qualified Swap Provider" shall mean a financial institution whose long term debt obligations, or whose obligations under a Qualified Swap are guaranteed by a financial institution whose long term debt obligations are rated at least as high by at least two nationally recognized rating agencies as the greater of (i) the State's general obligation debt and (ii) A3, in the case of Moody's Investor's Service, A-, in the case of Standard & Poor's Corporation, or the equivalent thereto in the case of any other rating agency.

"Redemption Sub-Account" shall mean the separate sub-account created in the Debt Service Account by the provisions of Section 5.3 of this Indenture.

"Refunding Bonds" shall mean any one or more series of Bonds authorized and issued by the State pursuant to Section 2.3 of this Indenture.

"Reserve Account" shall mean the Second Lien Special Tax Obligation, Transportation Infrastructure Purposes, Reserve Account, a separate account created within the Special Transportation Fund by the provisions of Section 5.7 of this Indenture.

"Resolution" shall mean collectively the resolutions of the State Bond Commission duly adopted at meetings held on October 26, 1990 and December 7, 1990, authorizing this Indenture, as the same may be amended from time to time.

"serial bond" shall mean one of the Bonds of a series which shall be stated to mature in annual installments.

"Special Transportation Fund" shall mean the Special Transportation Fund of the State created under Section 1 of Public Act No. 83-30 of the State, as amended.

"State" shall mean the State of Connecticut.

"State Bond Commission" shall mean that commission established and existing pursuant to subsection (c) of Section 3-20 of the General Statutes of Connecticut, as the same may from time to time be amended, or any successor thereto.

"Supplemental Indenture" shall mean any indenture entered into by the Trustee and the State pursuant to and in compliance with the provisions of Article X of this Indenture providing for the issuance of Bonds, and shall also mean any other indenture between the same parties entered into pursuant and in compliance with the provisions of Article X hereof amending or supplementing the provisions of this Indenture as originally executed or as theretofore amended or supplemented.

"term bond" shall mean one of the Bonds of a series which shall be stated to mature on one date and payable from Amortization Requirements.

"Trustee" shall mean The Connecticut National Bank, and its successor or successors hereinafter appointed in the manner provided in this Indenture.

The terms "hereby," "hereof" "hereto," "herein," "hereunder" and any similar terms, as used in this Indenture, refer to this Indenture, and the term "hereafter" means after, and the term "heretofore" means before, the date of execution of this Indenture. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond," "Note," "owner," "holder," and "person" shall include the plural as well as the singular number. Words importing persons include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons. Any headings preceding the texts of the several Articles and Sections of this Indenture, and any table of contents appended hereto, shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

ARTICLE II

AUTHORIZATION, ISSUANCE AND DELIVERY OF BONDS; SECOND LIEN OBLIGATIONS

Section 2.1. Authorization for Issuance of Bonds: Payment Thereof and Security Therefor. There is hereby established and created pursuant to the Act and under this Indenture an issue of special tax obligation bonds (herein defined and referred to as the "Bonds") of the State, in one or more series and subject to the terms and conditions provided in Sections 2.2 and 2.3 of this Indenture. Except as otherwise provided in the Act, and subject to the provisions of Sections 2.2 and 2.3 of this Indenture, the aggregate principal amount of Bonds which may be issued hereunder and secured hereby and be outstanding at any one time is not limited.

The Bonds, including the principal thereof and interest and premium, if any, thereon, shall be payable solely from the Pledged Revenues or other receipts, funds or moneys pledged therefor pursuant to this Indenture. The Bonds shall be equally and ratably secured hereunder by the assignments, pledges and charges made or created herein of or on the properties of the Trust Estate for the payment and security of the Bonds and amounts due in connection with any Credit Facility and any Qualified Swap and by a co-equal lien thereon, without priority by reason of series, number, date of execution hereof or of the Supplemental Indenture providing for the issuance thereof, date of Bonds, date of sale, date of execution, date of authentication, date of issuance, date of delivery, the Section hereof under which the Bonds are issued or otherwise; except that any payments by a provider of a Qualified Swap shall be received by the Trustee and held in trust for the benefit of the series of Bonds in respect of which such Qualified Swap is entered into. The aforesaid lien and charge of the Bonds shall constitute a prior and paramount lien and charge on the Special Transportation Fund and the other receipts, funds and moneys pledged to the payment of the Bonds and from time to time held hereunder, subject only to the Prior Indenture and the provisions of this Indenture permitting the application of moneys in the Special Transportation Fund and such other receipts, funds and moneys for the purposes and on the terms and conditions hereof, over and ahead of any parties having claims of any kind in tort, contract or otherwise against the State, irrespective of whether such parties have notice of the foregoing lien and charge and over and ahead of all other indebtedness (except indebtedness issued under the Prior Indenture) payable from or secured by the Pledged Revenues and such other receipts, funds and moneys which may hereafter be created or incurred, except as may be issued under the Prior Indenture. The pledges, liens, charges and assignments to the Trustee of the Trust Estate made herein and hereby shall be valid and binding from the time of the delivery of and payment for the first series of Bonds issued hereunder and the moneys representing the Pledged Revenues and other receipts, funds or moneys so pledged received by the State shall be subject immediately to the lien of such pledge, upon receipt thereof by the State or the Trustee or a Paying Agent hereunder without any physical delivery thereof or further act.

Bonds and Notes issued pursuant to this Indenture shall be special obligations of the State and shall not be payable from nor charged upon any funds other than the Pledged Revenues or other receipts, funds or moneys pledged therefor pursuant to this Indenture, nor shall the State or any political subdivision thereof be subject to any liability thereon except to the extent of such Pledged Revenues, or other receipts, funds and moneys pledged therefor pursuant to this Indenture. The issuance of Bonds or Notes pursuant hereto shall not directly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor, except for taxes included in the Pledged Revenues, or to make any additional appropriation for their payment. The Bonds or Notes shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the State or of any political subdivision thereof, other than Pledged Revenues or other receipts, funds or moneys pledged therefor as provided in the Act or this Indenture. The

substance of such limitation shall be plainly stated on the face of each Bond and Note. Bonds and Notes issued pursuant to this Indenture shall not be subject to any statutory limitation on the indebtedness of the State, and such Bonds, when issued, shall not be included in computing the aggregate indebtedness of the State in respect to and to the extent of any such limitation.

No holder of a Bond or Note shall be required to see that the moneys derived from such Bond or Note are applied to the purpose or purposes for which the Bond or Note is issued. The validity of the Bonds or Notes shall neither be dependent upon nor affected by the validity or regularity of any proceedings or contracts relating to the purposes for which Bonds or Notes are issued nor the use and application of the proceeds of the Bonds or Notes.

Section 2.2. Issuance of Bonds. (a) If and to the extent authorized, Bonds may be issued under and secured by this Indenture, at one time or from time to time. Such Bonds shall be issued under and pursuant to a Supplemental Indenture or Supplemental Indentures and the provisions of Section 10.4 shall have been complied with with respect to such Supplemental Indenture or Supplemental Indentures; and such Supplemental Indenture or Supplemental Indentures shall designate such Bonds issued thereunder as Second Lien Special Tax Obligation Bonds, Transportation Infrastructure Purposes, [insert identifying year] Series [insert identifying letter], may designate additional descriptive terms in the title of such bonds, and shall specify: (1) the authorized principal amount of such series of Bonds; (2) the date, the maturity date or dates and the interest payment date or dates of the Bonds of such series; (3) the interest rate or rates per annum, including variable rates, to be borne by the Bonds of such series or the manner of determining such rates; (4) the denominations and manner of numbering the Bonds of such series; (5) the terms and conditions, if any, for the redemption of the Bonds of such series; the premium or premiums, if any, to be paid upon the redemption of the Bonds of such series, and (6) if any of the Bonds of such series are term bonds, the Amortization Requirements for the Bonds of such series; (7) if the Bonds of such series are to be payable as to principal, interest and premium, if any, at a place or places in addition to the principal office of the Trustee, the place or places of payment; (8) the provisions for the sale or other disposition of the Bonds of such series and the use, application and investment, if any, of the proceeds of such sale or other disposition; (9) the provisions for the execution, and the manner of authentication, if any, of the Bonds of such series; and (10) any other provisions not inconsistent or in conflict with the provisions of the Indenture deemed necessary or advisable by the State.

(b) In addition, issuance of Bonds shall be subject to compliance with the following conditions (based on accounting principles then applied by the State for purposes of the financial statements prepared in compliance with Section 7.4 of this Indenture):

(1) Pledged Revenues, after deducting, for the applicable period, payments out of such Pledged Revenues for reserves required by the Prior Indenture or this Indenture, actually paid into the Special Transportation Fund for any period of twelve (12) consecutive calendar months of the immediately preceding eighteen (18) calendar months were equal to at least two (2) times the aggregate Principal and Interest Requirements on Prior Bonds for all Prior Bonds outstanding, Principal and Interest Requirements on Bonds and Interest Requirements on Notes for such period; provided however, that this condition shall be deemed to be satisfied if such test is satisfied after adjusting such Pledged Revenues only to reflect any increase or increases, or decrease or decreases, in taxes, fees or charges enacted to be in effect at the time of issuance, and the Secretary of the Office of Policy and Management of the State (or any successor agency) shall deliver to the Trustee a certificate demonstrating such coverage;

(2) Pledged Revenues, after deducting, for the applicable period, payments out of such Pledged Revenues for reserves required by the Prior Indenture or this Indenture, actually paid into the Special Transportation Fund for any period of twelve (12) consecutive calendar months of the immediately preceding eighteen (18) calendar months are equal to at least two (2) times the aggregate Principal and Interest Requirements on Prior Bonds, Principal and Interest Requirements on Bonds and Interest Requirements on Notes with respect to all Prior Bonds, Bonds and Notes then outstanding and the Bonds to be issued, for the current and each succeeding Fiscal Year, after adjusting such Pledged Revenues only to reflect any increase or increases, or decrease or decreases, in taxes, fees or charges enacted to be in effect for such current or such succeeding Fiscal Year, and the Secretary of the Office of Policy and Management of the State (or any successor agency) shall deliver to the Trustee a certificate demonstrating such coverage; and

(3) The State shall have received a letter from the Accountant (i) substantially to the effect that in connection with their examination of the Special Transportation Fund pursuant to Section 7.4 of this Indenture nothing came to their attention that caused them to believe that the State was not then in compliance with the covenant of Section 2.2(b)(1) of this Indenture and (ii) reporting on the certificates delivered pursuant to Sections 2.2(b)(1), if any, and 2.2(b)(2), without material qualification; and

(4) The State shall have determined that the principal amount of all Bonds, including the Bonds to be issued, will not exceed any limitation imposed by law, and upon such issue the amount to be then held to the credit of the Reserve Account, giving effect to the deposits to be made of the proceeds of the sale of such Bonds, will be not less than the Debt Service Reserve Requirement.

(c) In addition, issuance of the Bonds shall be conditioned upon the State being then in compliance with Section 5.1 of this Indenture.

(d) The net proceeds of any such Bonds, after any costs of issuance an Authorized Officer shall determine to pay out of such proceeds, shall be applied as follows:

(1) There shall be deposited to the credit of the Note Repayment Account an amount sufficient, when adjusted for investment earnings as provided in subsection (a) of Section 2.4 of this Indenture, and taking into account any other funds available or to be available for such purpose, to pay, when due, the principal and interest on all Notes then outstanding and issued in anticipation of such Bonds;

(2) There shall be deposited to the credit of the Reserve Account that amount, if any, which when added to the amount then held to the credit of the Reserve Account, will make the total amount held to the credit of the Reserve Account equal to the Debt Service Reserve Requirement;

(3) There shall be deposited with the Treasurer an amount sufficient, when adjusted for investment earnings, and taking into account any other funds available or to be available for such purpose, to pay, when due, the principal and interest on general obligation bonds of the State issued for transportation purposes for the refunding of which such Bonds were issued;

(4) There shall be made such other deposits or credits, if any, as shall be specified in the Supplemental Indenture providing for the issuance of such series of Bonds;

(5) The balance of said proceeds shall be deposited to the credit of the Infrastructure Improvement Fund of the State.

The amount received as accrued interest shall be deposited to the credit of the Bond Service Sub-Account.

Section 2.3. Issuance of Refunding Bonds. (a) Special tax obligation refunding bonds (herein defined and referred to as the "Refunding Bonds") may be issued under and secured by this Indenture, subject to the conditions hereinafter provided in this Section, at any time or times, for the purpose of providing funds for redeeming or refunding all or part of the outstanding Bonds or Prior Bonds of any series, including payment of any redemption premium, if any, thereon and the interest to accrue to the date of redemption or maturity of such Bonds or Prior Bonds. Such Refunding Bonds shall be issued by means of a Supplemental Indenture or Supplemental Indentures which shall become effective upon compliance and in accordance with the provisions of Section 10.4 hereof.

(b) Bonds or Prior Bonds of any one or more series may be refunded by the same series of Refunding Bonds. The Bonds to be refunded shall be specified in the Supplemental Indenture providing for the issuance of such Refunding Bonds. The principal amount of such Refunding Bonds may include amounts necessary to pay the principal of the Bonds or Prior Bonds to be refunded, any unpaid interest thereon to the date of redemption thereof, any premium or commission necessary to be paid in connection therewith, and the costs and expenses of issuance of such Refunding Bonds. Each such series of Refunding Bonds shall be designated "Special Tax Obligation Refunding Bonds, Transportation Infrastructure Purposes [insert identifying year] Series [insert identifying letter]", shall be dated, shall bear interest at such rate or rates, including variable rates, shall consist of serial bonds and/or term bonds in such amounts, shall mature on such date or dates in such amounts and such year or years, not later than thirty (30) years from their date, and have such other terms and conditions, all as may be provided in the Supplemental Indenture providing for the issuance of such Refunding Bonds. In case any of the Refunding Bonds of a series issued under the provisions of this Section shall be serial bonds, the maturities of such Refunding Bonds shall begin not earlier than one (1) year from the date of delivery of such Refunding Bonds, and in case the Refunding Bonds of any such series shall consist of term bonds, the Amortization Requirement for each Fiscal Year for such term bonds shall begin in a Fiscal Year not earlier than the Fiscal Year immediately following the date of delivery of such Refunding Bonds, and such Amortization Requirements shall be fixed by the Supplemental Indenture providing for the issuance of such Refunding Bonds. Such Refunding Bonds shall be made redeemable at such times and prices (subject to the provisions of Article IV of this Indenture) as may be provided by the Supplemental Indenture providing for the issuance of such Refunding Bonds.

Section 2.4. Issuance of Bond Anticipation Notes. Bond anticipation notes (herein defined and referred to as the "Notes") may be issued under and secured by this Indenture, at one time or from time to time, in anticipation of the issuance of Prior Bonds under the Prior Indenture or Bonds under Section 2.2 of this Indenture, provided that no such Notes shall be issued (i) unless the Bonds in anticipation of which they are to be issued have been duly authorized in accordance with the Act and this Indenture, and (ii) if the aggregate principal amount of all Notes then outstanding and to be issued exceeds fifty million dollars (\$50,000,000), unless, as of the date of issuance of such Notes, the State could have issued under the terms of this Indenture an equivalent aggregate principal amount of serial bonds, maturing in equal annual installments of principal and interest, the last installment of which shall mature not later than thirty years after such date, and bearing interest at such rate as the State shall determine in its best judgment to be equivalent to the average interest rate which would have been paid had such Bonds been issued at such time. The date or dates of such Notes, the maturities, denominations, form, details and other particulars of such Notes, including the method, terms and conditions for the issue and sale thereof, shall be determined by the State

Treasurer in the best interest of the State. Such Notes shall be designated "Special Tax Obligation Bond Anticipation Notes, Transportation Infrastructure Purposes, Issue.....[inserting number of issue, in numerical order, lowest numbers first]." Said Notes shall be special obligations of the State payable solely from the proceeds of Prior Bonds or Bonds issued under Section 2.2 hereof and, to the extent provided herein or deemed necessary or desirable by the State, from the Special Transportation Fund. Any obligation of the State to pay the unrefunded principal of Notes, including for this purpose any obligation of the State under a reimbursement agreement entered into in connection with a credit facility providing for payment of the unrefunded principal of Notes, shall be subordinate to any obligation of the State to pay Debt Service Requirements with respect to Prior Bonds and Bonds or any Debt Service Requirements with respect to Notes other than Debt Service Requirements relating to unrefunded principal of Notes or to obligations under a credit facility for the payment of such unrefunded principal. The State shall not enter into any contract with any Noteholder inconsistent with the terms of this Indenture. The full faith and credit of the State shall not be pledged to the repayment of such Notes and the State shall not be obligated to make appropriations from its General Fund for the repayment of such Notes. Such Notes may be renewed and refunded from time to time as may be determined by the Treasurer. Said Notes may be made redeemable. The proceeds of the sale of any issue of Notes shall be applied as follows:

(a) There shall be deposited to the credit of the Note Repayment Account an amount sufficient, when adjusted for investment earnings as provided below, and taking into account any other funds available or to be available for such purpose, to pay when due the principal of and the interest on all Notes then outstanding which are to be renewed or refunded by the present issue. Any deposit made to the Note Repayment Account pursuant to this subsection shall be adjusted to take into account the income, if any, which may be earned from investment of said deposit between the date of deposit and the maturity date of the Notes then outstanding which are to be renewed or refunded.

(b) There shall be made such other deposits or credits, if any, as shall be specified in the proceedings under which such Notes are issued.

(c) The balance of said proceeds shall be deposited to the credit of the Infrastructure Improvement Fund of the State.

Section 2.5. Subordinate Lien Obligations. Nothing contained in this Indenture shall prohibit or prevent, or be deemed or construed to prohibit or prevent, the State from issuing bonds, notes, certificates, warrants or other evidences of indebtedness for any use or purpose of the State payable as to principal and interest from the Special Transportation Fund subject and subordinate to the deposits and credits required to be made to the Note Repayment Account, the Debt Service Account or from securing such bonds, notes, certificates, warrants or other evidences of indebtedness and the payment thereof by a call upon the Pledged Revenues and a lien on and pledge of the Special Transportation Fund junior and inferior to the call on the Pledged Revenues and to the lien on and pledge of the Special Transportation Fund herein created and the other receipts, funds or moneys pledged herein for the payment and security of the Bonds.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 3.1. General Terms of Bonds. The provisions of this Section shall apply to all Bonds, except as and unless otherwise provided in the Supplemental Indenture providing for their issuance. The Bonds shall be dated, shall be in the denomination of \$5,000 each or any integral multiple thereof, shall be numbered or lettered, or both, as shall be determined by the Trustee, and shall be exchangeable for other Bonds as provided in Section 3.4 of this Indenture.

Payment of the interest on any Bond on any interest payment date shall be made to the person appearing as the registered owner thereof on the registration books of the State kept by the Registrar and Transfer Agent for Bonds of such series, hereinafter provided for, such interest to be paid by check or draft mailed to the registered owner at his address as it appears on such registration books. The principal of any Bond shall be payable upon the presentation and surrender thereof at the principal office of the Trustee or any Paying Agent.

Section 3.2. Execution of Bonds. Validity of Signatures Thereon. Except as or unless otherwise set forth in the Supplemental Indenture providing for their issuance, any Bonds shall be executed in the name of the State by the Governor, the Treasurer or Deputy Treasurer and the Comptroller, either by their manual signatures or by facsimiles thereof, and shall be imprinted with a facsimile of the seal of the State or such facsimile as shall be reproduced thereon.

In case any person who shall have signed, registered, attested, authenticated or sealed, as the case may be, any of the Bonds, whether by means of his manual signature or a facsimile thereof, shall die or cease to be the person authorized to sign, register, attest, authenticate or seal the Bonds before the Bonds so signed, registered, attested, authenticated or sealed, as the case may be, by him shall have been actually issued and delivered, such Bonds shall be valid nevertheless and may be issued with the same effect as though the person who had so signed, attested, authenticated, registered or sealed such Bonds had not died or ceased to be such authorized person.

Section 3.3. Authentication of Bonds. Subject to the provisions of the next succeeding sentence of this paragraph, the Trustee shall, at the order of the State signed by the Treasurer or Deputy Treasurer, authenticate and deliver the Bonds under this Indenture in accordance with the directions of the State contained in such order. Bonds delivered in accordance with the provisions of this Indenture upon transfers, exchanges or redemptions of Bonds shall be authenticated as herein provided when so delivered, and no order of the State nor opinion of counsel nor any other document shall be necessary to authorize such authentication. Only such of the Bonds (including temporary Bonds) as shall have endorsed thereon a certificate of authentication substantially in the form set forth in Article XII hereof, duly executed by the Trustee, shall be entitled to any right or benefit under this Indenture or be secured hereby, and no Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been executed by the Trustee. Upon the authentication of any Bond the Trustee shall insert the name of the registered owner, the number, principal sum, maturity date, interest date and bond date. The bond date shall be the date upon which such Bond is actually authenticated if the date of such actual authentication is an interest payment date, or shall be the interest payment date to which interest was paid next preceding the date upon which the Bond is actually authenticated if such Bond is not actually authenticated upon an interest payment date, or shall be the original issue date of the series of Bonds of which such Bond is one if such Bond is actually authenticated prior to the first date upon which interest is payable upon the series of Bonds of which such Bond is one. Every authentication by the Trustee upon any Bond shall be conclusive evidence that the Bond so authenticated has

been duly issued hereunder and is entitled to the benefits and security of this Indenture and of the trusts hereby created.

In case any of the Bonds shall have been authenticated but not delivered, any successor Trustee hereunder may adopt the certificate of authentication of the original Trustee or of any successor to it as the Trustee hereunder, and deliver the Bonds so authenticated as herein provided. In case any of the Bonds shall not have been authenticated, any successor Trustee may authenticate such Bond as herein provided in its own name. In all such cases such certificate of authentication shall have the same force and effect as provided in the Bonds or in this Indenture with respect to the certificate of authentication of the Trustee.

Section 3.4. Transfer and Exchange of Bonds. Any Bond may, in accordance with its terms, be transferred upon the books of registry required to be kept pursuant to the provisions of Section 3.5 hereof by the person in whose name it is registered, in person or by his duly authorized agent, and any Bond may be exchanged for an equal aggregate principal amount of Bonds of the same series and maturity of any other authorized denominations, in each case upon surrender of such Bond to the Registrar and Transfer Agent for cancellation, accompanied by delivery of a written instrument of transfer duly executed by the registered owner in person or his attorney duly authorized and in form satisfactory to the Registrar and Transfer Agent.

Whenever any Bond shall be surrendered for transfer or exchange, the State shall execute and the Trustee shall authenticate and deliver, at the principal office of the Trustee (or send by registered mail to the owner or new owner thereof at his request and at his risk and expense), in the name of the owner or the transferee or transferees, as applicable, a new duly executed and authenticated Bond or Bonds, of the same series, interest rate and maturity and for a like aggregate principal amount, dated so that there shall result no gain or loss of interest as a result of such transfer or exchange. To the extent of denominations authorized in respect of any such Bond by the terms of this Indenture or any Supplemental Indenture, one such Bond may be transferred or exchanged for several such Bonds of the same series, interest rate, maturity and aggregate principal amount, and several such Bonds may be transferred or exchanged for one or several such Bonds of the same series, interest rate, maturity and aggregate principal amount. All transfers or exchanges pursuant to this Section shall be made without expense to the holder of such Bonds except that the Registrar and Transfer Agent shall require the payment by the holder of the Bond requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer. All Bonds surrendered pursuant to this Section shall be cancelled.

Unless otherwise set forth in the Supplemental Indenture providing for their issuance, no transfers or exchanges of Bonds shall be required to be made during the fifteen (15) days next preceding an interest payment date for such Bonds nor during the forty-five (45) days next preceding the date fixed for redemption of such Bonds.

Section 3.5. Books of Registry. At all times while any Bond remains outstanding and unpaid, the State shall keep or cause to be kept books (herein referred to as the "books of registry") for the registration and transfer of Bonds of each series. The State shall appoint, and from time to time may reappoint or substitute, the principal paying agent, registrar and transfer agent (herein referred to and defined as the "Registrar and Transfer Agent" for Bonds of such series) for each series of Bonds. Upon presentation at its principal office for such purpose the Registrar and Transfer Agent for Bonds of such series, under such reasonable regulations as it may prescribe, shall register or transfer, or cause to be registered or transferred on such books of registry, Bonds as hereinbefore set forth. The books of registry shall at all times be open for inspection by the State or its duly authorized agent or representative.

Section 3.6. Temporary Bonds. Pending the preparation of definitive Bonds, interim receipts or certificates (herein referred to as "temporary Bonds") may initially be issued exchangeable for definitive Bonds of the same series when the latter are ready for delivery. Such temporary Bonds may be printed, lithographed or typewritten, shall be of such denomination or denominations as may be determined by the State and may contain such references to any of the provisions of this Indenture as may be appropriate. If temporary Bonds are issued, the State will cause to be furnished duly executed and authenticated definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered for cancellation at the principal office of the Trustee in exchange for definitive Bonds and without charge for such exchange, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds so surrendered an equal aggregate principal amount of duly executed and authenticated definitive Bonds of authorized denominations and of the same series, interest rate or rates and maturity Or maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds of the same series delivered hereunder.

Section 3.7. Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond (which, for purposes of this Section and Section 3.8, shall include Notes issued pursuant to Section 2.4 of this Indenture) shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced or mutilated as to impair the value thereof to the owner, the State shall execute and the Trustee shall authenticate and deliver at the principal office of the Trustee (or send by registered mail to the owner thereof at his request and at his risk and expense), a new Bond of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for, and upon the surrender for cancellation of, such defaced, mutilated or partly destroyed Bond, or in lieu of, or in substitution for such lost, stolen, or destroyed Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish to the State and the Trustee evidence or proof satisfactory to each of them of the loss, destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity as may be required by the State or by the Trustee. Any duplicate Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Bond or in substitution for any allegedly lost, stolen or wholly destroyed Bond shall be entitled to the identical benefits under this Indenture as was the original Bond in lieu of which such duplicate Bond is issued, and shall be entitled to equal and proportionate benefits with all the other Bonds of the same series issued hereunder. Neither the State nor the Trustee nor the Registrar and Transfer Agent nor any other Paying Agent appointed hereunder shall be required to treat both the original Bond and any duplicate Bond as being outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds outstanding hereunder, but both the original and duplicate Bond shall be treated as one and the same.

Notwithstanding the foregoing provisions of this Section as to the issuance of duplicate or replacement Bonds, (i) if any such lost, stolen, destroyed, defaced or mutilated Bond has matured or been called for redemption and the date fixed for the redemption thereof has arrived, at the option of the State, payment of the amount due thereon may be made without the issuance of any duplicate or replacement Bond upon receipt of like evidence, indemnity and security and the surrender for cancellation of any such defaced or mutilated Bond and upon such other conditions as the State and the Trustee or either of them may prescribe; (ii) if any such lost, stolen, destroyed, defaced or mutilated Bond shall mature or is of a class or series which shall mature within one year following the date of application for a duplicate Bond, or has been called or will be called, or is of a class or series which has been called or will be called, for redemption within one year following such date, instead of issuing a duplicate or replacement Bond the State and the Trustee, upon receiving like evidence, indemnity and security and the surrender for cancellation of any such defaced or mutilated Bond and upon such other conditions as the State and the Trustee or either of them may prescribe, may issue or cause to be issued and authenticated a transferable certificate of ownership to the applicant pay on such certificate the interest and premium, if any, on and the principal sum thereof, or payment dates and the redemption date or maturity date, upon surrender of such certificate.

transferable certificates of ownership shall be in such form as may be determined by the State or as otherwise provided by law; and (iii) if the provisions of applicable law shall provide for the payment of lost, stolen, destroyed, mutilated or defaced Bonds in lieu of the issuance of duplicates or certificates of ownership therefor, such lost, stolen, destroyed, mutilated or defaced Bonds may be paid in accordance with the provisions of such laws.

All expenses necessary for the providing of any duplicate Bond or certificate shall be borne by the owner thereof.

Section 3.8. Disposition and Destruction of Bonds. All Bonds (as construed in Section 3.7 hereof) surrendered to the Trustee or other Paying Agent for payment shall be cancelled upon such payment by the Trustee or such other Paying Agent, as the case may be.

Whenever in this Indenture provision is made for the cancellation of any Bonds by any Paying Agent other than the Trustee, such Bonds so cancelled shall be delivered to the Trustee or as it may direct. All cancelled Bonds, including those cancelled by the Trustee, shall be delivered to the State or as it may direct. Upon the written request of the State, such Paying Agent or the Trustee may, in lieu of such cancellation and delivery, destroy such Bonds. If any Bonds are destroyed by the Trustee, the State may require that such destruction be done in the presence of its appointee, and if any Bonds are destroyed by a Paying Agent other than the Trustee, the State or the Trustee may require that such destruction be done in the presence of its respective appointee or officer. If the Trustee shall destroy any Bonds, it shall deliver a certificate of such destruction to the State, and if such destruction be performed by a Paying Agent other than the Trustee, such Paying Agent shall deliver a certificate of such destruction to both the State and the Trustee.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.1. Redemption of Bonds. (a) Bonds may be made subject to redemption prior to their stated maturities upon such terms and conditions and at such dates and with such premiums as shall be set forth in the Supplemental Indenture providing for the issuance thereof, and unless otherwise specified in such Supplemental Indenture upon the further terms and conditions as are hereinafter set forth in this Article IV.

(b) Term bonds of any series issued pursuant to Section 2.2 or 2.3 of this Indenture may be redeemed on any principal payment date, by lot within a maturity pursuant to Section 4.2 of this Indenture, solely from moneys on deposit to the credit of the Debt Service Account, at the price of par and accrued interest to the date fixed for redemption, to the extent of the Amortization Requirement fixed for the period ending such principal payment date for term bonds of such series and any deficiency in preceding periods in the purchase or redemption of such term bonds pursuant to Section 5.5 of this Indenture.

(c) A redemption of any part of the Bonds issued under the provisions of this Indenture and then outstanding less than the whole thereof shall be subject to the conditions set forth in clause (c) of Section 5.5 of this Indenture.

Section 4.2. Selection of Bonds for Redemption. In the event of the redemption at any time of part only of the Bonds if less than all of the Bonds of any particular series then outstanding are to be redeemed, the Bonds of such series to be redeemed shall be redeemed in such order as is set forth in the Supplemental Indenture providing for the issuance of such series. For the purpose of selection and redemption of Bonds of any series by lot the Trustee shall treat as a separate Bond each portion or portions of the principal amount of each Bond that is equal to the minimum denomination in which Bonds of such series are issuable. Whenever provision is made in this Indenture or any Supplemental Indenture for the selection by lot of Bonds to be redeemed, the Trustee, in any manner which it deems fair, shall select the particular Bonds to be redeemed from among those Bonds which are then subject to redemption and to selection by lot for such redemption. The Trustee shall promptly notify each other Paying Agent for the Bonds of the series of Bonds of which such Bond to be redeemed is one, in writing, of the Bonds so selected for redemption.

Section 4.3. Notice of Redemption. Notice of redemption of Bonds shall be given by mail not less than thirty (30) nor more than sixty (60) days prior to the redemption date, by registered mail, to the registered owner of such Bond at his address as it appears on the books of registry or at such address as he may have filed with the Trustee for that purpose, provided that, neither failure to mail such notice to the registered owner of any Bond nor any defect in any notice so mailed, shall affect the sufficiency of the proceedings for the redemption of any of such Bonds.

Each notice of redemption shall state: (i) the title of the Bonds to be redeemed, the series designation (if any) thereof, the numbers (including CUSIP numbers) of the Bonds, the redemption date, the place or places of redemption and the redemption premium, if any, payable upon such redemption; (ii) if less than all the Bonds of a particular series are to be redeemed, the distinctive numbers of the Bonds to be redeemed; (iii) that the interest on the Bonds, or on the principal amount thereof to be redeemed, designated for redemption in such notice shall cease to accrue from and after such redemption date; (iv) that on such date there will become due and payable on each such Bond the principal amount thereof to be redeemed (together with the then applicable redemption premium, if any) and the interest accrued on such principal amount to the redemption date; and (v) if less than the entire principal sum of a Bond is to be redeemed, that such Bond must be surrendered to the Trustee in exchange for the payment of the principal amount thereof to be

deemed and the issuance of a new Bond or Bonds equalling in principal amount that portion of the principal amount not to be redeemed of the Bond to be surrendered.

Notice of redemption of Bonds shall be given by the Trustee at the direction of the State not less than 5 days prior to the date of redemption, and shall be given by the Trustee in the name and for and on behalf of the State.

Section 4.4. Partial Redemption of Bond. In the event that part only of the principal sum of a bond shall be called for redemption or prepaid, payment of the amount to be redeemed or prepaid shall be made only upon surrender of such Bond to the State. Upon surrender of such Bond, the State shall execute and the Trustee shall authenticate and deliver to the registered owner thereof, at the expense of the State, a new duly executed Bond or Bonds, of authorized principal amounts equal in aggregate principal amount to, and of the same series, maturity and interest rate as, the unredeemed portion of the Bond surrendered.

Section 4.5. Effect of Redemption. If a Bond is subject by its terms to prior redemption and has been duly called for redemption and notice of the redemption thereof has been duly given as hereinbefore provided and if moneys for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price or together with the then applicable redemption premium, if any, and the interest to accrue to the redemption date on such Bond (or the principal amount thereof to be redeemed) are held for the purpose of such payment by the Trustee or other Paying Agent for the series of Bonds of which such Bond is one, then such Bond (or the principal amount thereof to be redeemed) so called for redemption shall, on the redemption date designated in such notice, become due and payable, and interest on such Bond (or the principal amount thereof to be redeemed) so called for redemption shall cease to accrue.

Section 4.6. Cancellation of Surrendered or Redeemed Bonds. All Bonds surrendered or redeemed pursuant to the provisions of this Article shall be cancelled.

ARTICLE V

ESTABLISHMENT AND OPERATION OF SPECIAL FUNDS AND ACCOUNTS

Section 5.1. Special Transportation Fund. Provided that the State shall have made all payments theretofore required to be paid under Section 5.1 of the Prior Indenture, the State shall withdraw from moneys held by it to the credit of the Special Transportation Fund, and deposit with the Trustee to the credit of the following accounts or subaccounts the following sums:

(a) to the credit of the Bond Service Sub-Account, Note Repayment Account and Redemption Sub-Account, respectively, such amounts thereof, if any (or the entire sum so withdrawn if less than the required amount, in which case such sum shall be allocated among the purposes set forth in this subparagraph on a pro rata basis), as may be required (i) to pay Debt Service Requirements (other than Amortization Requirements) with respect to Bonds, and any amounts owing under any Qualified Swap plus the amount payable with respect to principal and interest pursuant to any reimbursement agreement entered into with respect to a Credit Facility providing for payment of principal, Purchase Price or interest on Bonds (ii) to make the amount then held to the credit of the Note Repayment Account held for payment of interest equal to the unpaid interest payable on Notes and interest payable pursuant to any reimbursement agreement entered into with respect to a Credit facility providing for payment of the principal of Notes, and (iii) to make the amount then held to the credit of the Redemption Sub-Account equal to the aggregate Amortization Requirements, if any.

(b) to the credit of the Reserve Account, from time to time, but at least monthly, out of any balance remaining after making the deposits under subparagraph (a) above (or the entire balance if less than the required amount), the lesser of (i) the amount, if any, necessary to maintain the Reserve Account at the Debt Service Reserve Requirement or (ii) one-twelfth of the Debt Service Reserve Requirement, or (iii), if a shortfall arises because of an increase in the Debt Service Reserve Requirement arising out of a reestablishment of Principal and Interest Requirements in respect of a series of Bonds bearing interest at a variable rate, one-twelfth of such increase.

Unless an earlier time is specified in the Supplemental Indenture entered into with respect to a series of Bonds, in a reimbursement agreement entered into with respect to a credit facility providing for payment of principal on a series of Bonds or in a Qualified Swap, such deposits under subparagraph (a) shall be made at the time such funds are required to be applied by the Trustee to the purposes specified.

To the extent not required from time to time for the foregoing purposes, amounts held to the credit of the Special Transportation Fund may be used by the State for any proper purpose, including deposits to the Unrefunded Note Sub-Account from time to time.

No Bond holder shall be entitled under the Act or the Indenture to require the State to deposit in the Special Transportation Fund any transportation related federal revenues other than operating subsidies, any such right with respect to capital grants being expressly waived hereby.

Section 5.2. Note Repayment Account. There is hereby created and established within the Special Transportation Fund a special trust account to be held by the Trustee and to be designated "Second Lien Special Tax Obligation Bonds, Transportation Infrastructure Purposes, Note Repayment Account" (herein defined and referred to as the "Note Repayment Account"). Proceeds of Bonds issued pursuant to Section 2.2 of this Indenture, proceeds of renewal or replacement Notes issued pursuant to Section 2.4 hereof and deposits pursuant to Section 5.1(a), shall be deposited by the Trustee to the credit of the Note Repayment Account in

the amounts specified in Sections 2.4(a) and 2.2(c)(1) of this Indenture, respectively. Moneys held to the credit of the Note Repayment Account shall be used by the Trustee for the purpose of paying the interest on outstanding Notes, interest pursuant to any reimbursement agreement entered into with respect to a credit facility for the payment of principal of Notes, and principal on refunded Notes. Upon deposit to the credit of the Note Repayment Account pursuant to Section 2.4 (c)(1) and 2.4(a) the principal of Notes in respect of which such deposit is made shall be deemed refunded, and until such a deposit is made to the credit of the Note Repayment Account in respect of a Note the principal of such Note shall be deemed for purposes of this Indenture to be unrefunded. Any moneys remaining in the Note Repayment Account after the last maturity date of such outstanding Notes in excess of the amount of principal due and payable thereon shall be transferred to the credit of the Special Transportation Fund. Anything herein to the contrary notwithstanding, all proceeds realized from the investment of moneys held to the credit of the Note Repayment Account shall remain therein.

Section 5.3. Debt Service Account. There is hereby created and established within the Special Transportation Fund a special trust account to be designated "Second Lien Special Tax Obligation Bonds, Transportation Infrastructure Purposes, Debt Service Account" (herein defined and referred to as the "Debt Service Account"). There shall be created and established within the Debt Service Account three separate sub-accounts to be known as the "Bond Service Sub-Account", the "Redemption Sub-Account" and the "Unrefunded Note Sub-Account." Subject to the terms and conditions set forth in this Indenture, moneys held to the credit of the Bond Service Sub-Account, the Redemption Sub-Account and the Unrefunded Note Sub-Account shall be held in trust and disbursed by the Trustee for (a) the payment of the interest on the Bonds as such interest becomes due, (b) the payment of the principal on the Bonds at their respective maturities, (c) the payment of the purchase or redemption price of the Bonds before maturity, (d) the payment of the unrefunded principal on Notes at their respective maturities, or (e) payments pursuant to any reimbursement or other agreement entered into with respect to a Credit Facility or Qualified Swap, and such moneys are hereby pledged to and charged with the payment mentioned in this Section. To the extent required by any Supplemental Indenture or any reimbursement agreement entered into with respect to a Credit Facility, the Trustee may establish separate accounts within such Sub-Accounts in respect of particular series of Bonds.

Section 5.4. Bond Service Sub-Account. In addition to the deposits to the Bond Service Sub-Account specified in Section 5.1 of this Indenture, the Trustee shall deposit to the credit of the Bond Service Sub-Account any amount received from any provider of a Qualified Swap. So long as a Credit Facility is in effect with respect to the series of Bonds in respect to which such Qualified Swap was entered into, such amounts shall be held apart from other monies in the Bond Service Sub-Account in trust until used (i) to make payments to the holders of the series of Bonds in respect of which such Qualified Swap is entered into and obligations pursuant to any reimbursement agreement entered into with respect to any Credit Facility on such series of Bonds, or (ii), with the consent of the provider of the Credit Facility in effect with respect to such series of Bonds, to make payments to the provider of any other Qualified Swap entered into with respect to such series of Bonds. The Trustee shall from time to time as required, withdraw from the Bond Service Sub-Account and, if necessary, from the Reserve Account and the Unrefunded Note Sub-Account, and (a) deposit in trust with the Paying Agent sufficient moneys for paying the principal of and the interest on the Bonds as the same shall become due, (b) at the written direction of the State, pay principal and interest pursuant to any reimbursement agreement entered into with respect to any Credit Facility, and (c) pay, at the written direction of the State, any amount due to the provider of a Qualified Swap. In making such payments in respect of principal and interest on a series of Bonds and reimbursement obligations under such a Credit Facility in respect of such series of Bonds, the Trustee shall withdraw and apply first any monies held in trust for such payments as provided in the second preceding sentence. To the extent moneys on deposit in the Bond Service Sub-Account are not then required for such purpose, at the written direction of the State the Trustee shall withdraw moneys from the Bond Service Sub-Account and deposit said moneys to the credit of the Special

Transportation Fund. Accrued interest deposited in the Bond Service Sub-Account on the sale of Bonds may be used by the Trustee to pay costs of issuance on such Bonds as directed by the Treasurer.

Section 5.5. Redemption Sub-Account. Moneys held to the credit of the Redemption Sub-Account shall be applied to the retirement of Bonds issued under the provisions of this Indenture as follows:

(a) Subject to the provisions of clause (c) of this Section, the Trustee shall endeavor to purchase Bonds secured hereby and then outstanding, whether or not such Bonds shall be subject to redemption, at the most advantageous price obtainable with reasonable diligence, having regard to the interest rate and price, such price (including any brokerage and other charges) not to exceed the principal of such Bonds plus the amount of the premium, if any, which would be payable on the next redemption date to the holders of such Bonds under the provisions of Article IV of this Indenture or any Supplemental Indenture if such Bonds should be called for redemption on such date from moneys in the Debt Service Account. The Trustee shall pay the interest accrued on such Bonds to the date of delivery thereof from the Bond Service Sub-Account and the purchase price from the Redemption Sub-Account but no such purchase shall be made within the period of forty-five (45) days next preceding any interest payment date on which such Bonds are subject to call for redemption under the provisions of this Indenture except from moneys in excess of the amounts set aside or deposited for the redemption of Bonds.

(b) Subject to the provisions of clause (c) of this Section, the Trustee shall call for redemption on each interest payment date on which Bonds are subject to redemption from moneys in the Debt Service Account such amount of Bonds then subject to redemption as, with the redemption premium, if any, will exhaust the Redemption Sub-Account as nearly as may be; provided, however, that not less than One Hundred Thousand Dollars (\$100,000) in principal amount of Bonds shall be called for redemption at any one time. Such redemption shall be made pursuant to Article IV of this Indenture. Not less than five (5) days before the redemption date the Trustee shall withdraw from the Bond Service Sub-Account and from the Redemption Sub-Account and set aside in separate accounts on deposit with the Paying Agents the respective amounts required for paying the interest on the Bonds so called for redemption and the principal of, and the premium on, such Bonds.

(c) Moneys in the Redemption Sub-Account shall be applied to the purchase or redemption of Bonds in the following order:

(1) term bonds of each series, if any, issued under the provisions of Sections 2.2 or 2.3 of this Indenture, in such order of maturity as the State shall determine, to the extent of the Amortization Requirement, if any, fixed for the then current period for such term bonds and any deficiency in preceding periods in the purchase or redemption of such term bonds under the provisions of this subdivision; provided, however, that if none of the term bonds of a series shall be subject to redemption from moneys in the Debt Service Account and if the Trustee shall at any time be unable to exhaust the moneys applicable to the Bonds of such series in the purchase of such Bonds under the provisions of clause (a) of this Section, such moneys or the balance of such moneys, as the case may be, shall be retained, and, as soon as feasible, applied to the retirement of the Bonds of such series;

(2) to the purchase of any Bonds secured hereby and then outstanding whether or not such Bonds shall be subject to redemption, in accordance with the provisions of clause (a) of this Section;

(3) to the redemption of the term bonds of each series in proportion (as nearly as practicable) to the aggregate principal amount of the Bonds of such series originally issued; and

(4) after the retirement of all term bonds, to the redemption of the serial bonds issued under the provisions of this Indenture in the manner provided herein or in the Supplemental Indenture providing for the issuance of such serial bonds, and to the extent that serial bonds of different series mature on the same date, in proportion (as nearly as practicable) to the principal amount of each series maturing on such date.

If a Credit Facility shall have been drawn upon to make any of the payments called for in clauses (1), (2), (3) or (4), then the Trustee shall apply moneys in the Redemption Sub-Account to any reimbursement obligations under the Credit Facility arising thereby.

Upon the retirement of any Bonds by purchase or redemption, the Trustee shall file with the State Treasurer a statement briefly describing such Bonds, and setting forth the date of their purchase or redemption, the amount of the purchase price or the redemption price of such Bonds, and the amount paid as interest thereon.

All expenses incurred by the State in connection with the purchase or redemption of Bonds shall be paid by the State from the Special Transportation Fund.

Section 5.6. Unrefunded Note Sub-Account. The State shall withdraw from moneys held by it to the credit of the Special Transportation Fund and deposit with the Trustee to the credit of the Unrefunded Note Sub-Account any and all amounts required from time to time to pay unrefunded principal of Notes becoming due and payable; provided, however, that no such withdrawal and credit shall be made unless all amounts required to be deposited pursuant to Section 5.1 or 5.2 shall have been so deposited. Monies held to the credit of the Unrefunded Note Sub-Account shall be used by the Trustee for the purpose of paying the unrefunded principal on outstanding Notes becoming due and payable from time to time; provided, however, that no such application shall be made unless all amounts required to be deposited pursuant to Section 5.1 or 5.2 shall have been so deposited. Any monies remaining in the Unrefunded Note Sub-Account after the last maturity date of outstanding Notes shall be transferred to the credit of the Special Transportation Fund.

Section 5.7. Reserve Account. (a) There is hereby created and established within the Special Transportation Fund a special trust account to be designated "Second Lien Special Tax Obligation Bonds, Transportation Infrastructure Purposes, Reserve Account" (herein defined and referred to as the "Reserve Account").

(b) Moneys held to the credit of the Reserve Account shall be used for the purpose of making payments required to be made from the Bond Service Sub-Account and the Redemption Sub-Account whenever and to the extent that the moneys held to the credit of the Bond Service Sub-Account and the Redemption Sub-Account, respectively, shall be insufficient for such purposes. Moneys held to the credit of the Reserve Account shall also be used for the purpose of making any reimbursement payment required pursuant to any bond of insurance or indemnity established under Section 5.7(c) of this Indenture. To the extent that moneys held to the credit of the Reserve Account exceed the Debt Service Reserve Requirement the Trustee shall withdraw such excess from the Reserve Account and deposit it with the State to the credit of the Special Transportation Fund. To the extent necessary to comply with Section 7.6 of this Indenture, if at any time the moneys to the credit of the Reserve Account (including additions thereto under Section 5.1(b) reflecting declines in Amortized Value of investments (as defined in Section 6.2 of this Indenture) and any realized losses on such investments), shall exceed ten percent (10%) of the original proceeds of the Bonds, such excess shall, at the direction of the State Treasurer, either be withdrawn by the Trustee from the Reserve Account and deposited to the credit of the Special Transportation Fund, or be invested at restricted yield.

(c) In lieu of or in substitution for any amount required to be on deposit or any deposit required to be made to the Reserve Account by the terms of any provision of the Indenture, the State shall be entitled to substitute a bond of insurance or indemnity in favor of the Trustee in like amount and issued by an insurer under the supervision of an agency of the United States or any State whose outstanding bonds of insurance or indemnity are rated "AA" or better by a nationally recognized rating agency at the time of issuance of such bond of insurance or indemnity.

Section 5.8. Infrastructure Improvement Fund. The State has heretofore established a fund of the State designated the "Infrastructure Improvement Fund", held and administered by the State. Deposits shall be made to the credit of the Infrastructure Improvement Fund as required by the provisions of Sections 2.3, 2.4 and 2.6 of this Indenture. The moneys so deposited to the credit of the Infrastructure Improvement Fund shall be applied by the State to the purposes for which the Bonds giving rise to such deposits were issued, as provided by applicable law and pending such application shall not be subject to any lien or pledge in favor of the holders of the Bonds.

ARTICLE VI

DEPOSITARIES OF MONEYS; SECURITY FOR DEPOSITS; INVESTMENT OF FUNDS

Section 6.1. Custody and Investment of Moneys. All moneys held by the State under the provisions of this Indenture shall be deposited in the name of the State in one or more funds and accounts with such depository or depositories as the State Treasurer shall designate, except that the Note Repayment Account, the Debt Service Account and the Reserve Account shall be held only by the Trustee. All moneys deposited under the provisions of this Indenture with any depository, or held in a special trust fund prior to payment to the Trustee as aforesaid, shall be trust funds under the terms hereof and shall not to the full extent permitted by law be subject to any lien or attachment by any creditor of the State. Such moneys shall be held in trust and applied in accordance with the terms of this Indenture.

Moneys on deposit in the Note Repayment Account, the Debt Service Account, and the Reserve Account and the sub-accounts in such accounts shall be invested and reinvested by the Trustee, at the written direction of the State, to the extent reasonable and practicable in Investment Securities (as hereinbelow defined) maturing in the amounts and at the times as determined by the State so that the payment required to be made from such funds and accounts may be made when due.

The Trustee shall, in the statement required of the Trustee by Section 8.4 of this Indenture, set forth the Investment Securities held separately in, and the earnings realized on investment for, each fund and account held by it hereunder.

Section 6.2. Investment Securities. As used in this Indenture, the term "Investment Securities" shall include:

(i) such obligations, securities and investments as are set forth in subsection (f) of Section 3-20 of the General Statutes, as the same may be amended from time to time;

(ii) participation certificates in the short-term investment fund created and existing under Section 3-27a of the General Statutes, as amended by Section 14 of Public Act No. 84-254, or any successor provision;

Investments in all funds and accounts will be valued by the Trustee at book value, market value or face value, whichever is lowest, except that investments in the Reserve Account shall be valued at par if purchased at par or at Amortized Value if purchased at other than par. Amortized Value, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given date obtained by dividing the total amount of the premium or discount at which such obligation was purchased by the number of days remaining to maturity on such obligation at the time of such purchase and by multiplying the amount so calculated by the number of days having passed since the date of such purchase; and in the case of an obligation purchased at a premium, by deducting the product thus obtained from the purchase price, and in the case of an obligation purchased at a discount, by adding the product thus obtained to the purchase price.

Section 6.3. Limitations Regarding Investments: State to Sell Investment Securities. (a) Moneys on deposit to the credit of the Note Repayment Account, the Bond Service Sub-Account, the Redemption Sub-Account and the Unrefunded Note Sub-Account may be invested and reinvested in Investment Securities

maturing not later than the date when the moneys held to the credit of said funds and accounts shall be needed for the purposes intended.

(b) Moneys on deposit to the credit of the Reserve Account may be invested and reinvested in Investment Securities maturing on or before the earlier to occur of (i) the tenth (10th) anniversary of the date of any such investment or (ii) the final maturity date of all Bonds outstanding at the time any such investment is made.

(c) The Trustee shall be authorized to sell or present for redemption any Investment Securities when necessary to make the payments to be made from the funds and accounts created hereby, and in so selling or presenting for redemption any such Investment Securities shall obtain the best return practicable. Neither the State, the Trustee, nor any of their officers or employees shall be liable or responsible for any loss resulting from any investment made pursuant to this Article VI.

Section 6.4. Investments Part of Funds and Accounts. Except as otherwise provided in this Indenture, (a) Investment Securities shall be deemed at all times to be a part of the fund or account out of which they were purchased, (b) any profit realized from such investment shall be credited to such funds or accounts, (c) any loss resulting from such investment shall be charged to such funds or accounts (d) the interest accruing thereon, other than the interest accruing on amounts credited to the Note Repayment Account, shall be deposited by the Trustee to the credit of the Special Transportation Fund, and (e) the interest accruing on amounts credited to the Note Repayment Account shall be credited to such Account.

ARTICLE VII

PARTICULAR COVENANTS

Particular Covenants. The State hereby covenants with the purchasers and holders of all Bonds issued pursuant to this Indenture as follows:

Section 7.1. Covenant as to Amount of Pledged Revenues. The State shall impose, charge, raise, levy, collect and apply the Pledged Revenues and other receipts, funds or moneys pledged for the payment of Debt Service Requirements, in such amounts as may be necessary to pay such Debt Service Requirements in each year in which Bonds or Notes are outstanding and further, the State (1) will not limit or alter the duties imposed on the Treasurer and other officers of the State by the Act and by the proceedings authorizing the issuance of Bonds with respect to application of Pledged Revenues or other receipts, funds or moneys pledged for the payment of Debt Service Requirements as provided herein and in the Act; (2) will not issue any bonds, notes or other evidences of indebtedness, other than the Bonds or Notes, having any rights arising out of the Act or secured by any pledge of, or other lien or charge on, the Pledged Revenues or other receipts, funds or moneys pledged for the payment of Bonds or Notes; (3) will not create or cause to be created any lien or charge on such pledged amounts, other than a lien or pledge created thereon pursuant to the Act, provided nothing in this subsection shall prevent the State from issuing evidences of indebtedness (A) which are secured by a pledge or lien which is and shall on the face thereof be expressly subordinate and junior in all respects to every lien and pledge created by or pursuant to the Act; or (B) for which the full faith and credit of the State is pledged and which are not expressly secured by any specific lien or charge on such pledged amounts or (C) which are secured by a pledge of or lien on moneys or funds derived on or after such date as every pledge or lien thereon created by or pursuant to the Act and this Indenture shall be discharged and satisfied; (4) will carry out and perform, or cause to be carried out and performed, each and every promise, covenant, agreement or contract made or entered into by the State or on its behalf with the holders of any Bonds or Notes; (5) will not in any way impair the rights, exemptions or remedies of such holders; and (6) will not limit, modify, rescind, repeal or otherwise alter the rights or obligations of the appropriate officers of the State to impose, maintain, charge or collect the taxes, fees, charges and other receipts constituting the Pledged Revenues as may be necessary to produce sufficient revenues to fulfill the terms of the proceedings authorizing the issuance of the Bonds, including Pledged Revenue coverage requirements, and provided nothing herein shall preclude the State from exercising its power, through a change in law, to limit, modify, rescind, repeal or otherwise alter the character or amount of such Pledged Revenues or to substitute like or different sources of taxes, fees, charges or other receipts as Pledged Revenues if, for the ensuing Fiscal Year, as evidenced by the proposed or adopted budget of the State with respect to the Special Transportation Fund, the projected revenues meet or exceed the estimated expenses of the Special Transportation Fund including accumulated deficits, if any, Debt Service Requirements, and any Pledged Revenue coverage requirement.

Without limiting the provisions of the next preceding paragraph of this Section, the State covenants to provide Pledged Revenues in each Fiscal Year beginning in the first full Fiscal Year after the issuance of Bonds or Notes, after deducting payments out of such revenues for reserves required hereunder, computed as of the final business day of such Fiscal Year, in an amount at least equal to two (2) times the aggregate Principal and Interest Requirements on Prior Bonds for all Prior Bonds outstanding in such Fiscal Year, Principal and Interest Requirements on Bonds for all Bonds outstanding in such Fiscal Year and Interest Requirements on Notes in such Fiscal Year.

Section 7.2. Prior Call on Pledged Revenues. (a) Unless at such time any and all amounts required to be paid from the Special Transportation Fund to the Trustee, provider of a Credit Facility or Qualified

Swap or any Bondholder pursuant to the terms of this Indenture shall have been made, the State shall not make any payments from the Special Transportation Fund on account of any obligation whatsoever other than the Prior Bonds, Bonds and Notes, except from amounts held to the credit of the Special Transportation Fund which represent amounts borrowed by the Treasurer of the State in anticipation of revenues pursuant to Section 3-16 of the General Statutes of Connecticut, or from transportation related federal revenues of the State. If at any time any such amounts required to be paid to the Trustee have not been so paid, the Trustee shall be entitled to notify the Treasurer of the State that such amounts are accrued and unpaid, whereupon any Pledged Revenues received by the State and credited to the Special Transportation Fund shall be paid by the Treasurer forthwith to the trustee under the Prior Indenture, to the extent of any moneys then owed in respect of Prior Bonds and thereafter to the Trustee, and shall not be diverted to any other purpose, until such accrued and unpaid amounts have been paid in full.

(b) The State shall at all times do and perform all acts and things permitted by law and necessary to assure that the Pledged Revenues received by the State and credited to the Special Transportation Fund shall be applied first to the payment of Debt Service Requirements, including, but not limited to, procedures for immediate segregation of Pledged Revenues, upon collection, from other cash receipts of the State, if and to the extent requested by the Trustee or required by any Supplemental Indenture.

Section 7.3. To Pay Principal of and Premium and Interest on Bonds. The State will duly and punctually pay, or cause to be paid, but solely from the Pledged Revenues and other receipts, funds or moneys pledged hereunder, the principal of and interest and premium, if any, on each and every Note and Bond at the place, on the dates and in the manner provided herein and in such Notes and Bonds according to the true intent and meaning hereof and thereof.

Section 7.4. Books and Accounts: Audits. The State shall maintain and keep (or cause to be maintained and kept) proper books, records and accounts in which complete and correct entries shall be made of all dealings and transactions relating to the Special Transportation Fund and the Infrastructure Improvement Fund. Such accounts shall show the amount of Pledged Revenues available for the purposes of this Indenture and the application of such Pledged Revenues and amounts in the Infrastructure Improvement Fund to the purposes specified in this Indenture and the Act.

The State shall prepare balance sheets and statements of revenues, expenditures and changes in fund balances for each of the above specified funds. The State shall cause the Special Transportation Fund to be audited by an independent certified public accountant or a firm of independent certified public accountants of recognized standing (herein referred to as the "Accountant"), appointed by the State but who is in fact independent and not under the control of the State, with such restrictions on audit procedures performed by such Accountant with respect to operating expenses and program costs of the Department of Transportation as the State may request, provided the State shall cause such operating expenses and program costs to be subject to the customary audit procedures of the State Auditor. Such Accountant shall be selected with special reference to his general knowledge, skill and experience in auditing books and accounts. Such audit shall be made annually and the audit report of the Accountant shall be delivered to the State within one hundred twenty days (120) after the close of each Fiscal Year. A copy of each such annual audit shall be open for public inspection, and shall be mailed to any holder of Bonds filing with the State Treasurer a request for the same. The Trustee shall cooperate fully with the Accountant selected pursuant to this Section in completing the audit provided for herein, and shall make available all books and accounts in its possession pertaining to the Bonds for this purpose.

At the time of delivery of each audit report, the Accountant shall also deliver to the Trustee and the State a letter substantially to the effect that in connection with their examination of the Special Transportation

Fund nothing came to their attention that caused them to believe that the State was not then in compliance with the covenant contained in the second paragraph of Section 7.1 of the Indenture.

Section 7.5. Prosecution and Defense of Suits. The State shall defend, or cause to be defended, against every suit, action or proceeding at any time brought against any Bondholder by a person other than the State upon any claim arising out of the receipt, application or disbursement of any of the Pledged Revenues or any other moneys received, applied or disbursed under this Indenture, or involving the rights of any Bondholder under this Indenture and shall indemnify and save harmless all Bondholders against any and all liability claimed or asserted by any person whomsoever, arising out of such receipt, application or disbursement or involving the Pledged Revenues; provided, however, that any Bondholder at his election may appear in and defend any suit, action or proceeding. Notwithstanding any contrary provision hereof, the covenant contained in this Section 7.5 shall remain in full force and effect, even though the Bonds are no longer outstanding hereunder and all indebtedness and obligations secured hereby may have been fully paid and satisfied and the lien, pledge and charge of this Indenture may have been released and discharged.

Section 7.6. Assurances As To Exemption From Federal Taxation of Interest on Bonds. (a) The State shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid on the Notes and the Bonds shall, for the purposes of Federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation.

(b) The State shall not permit at any time any of the proceeds of the Notes or the Bonds or other funds of the State to be used, directly or indirectly, to acquire any asset or obligation the acquisition of which would cause any Note or Bond to be an "arbitrage bond" for the purposes of Section 103(c) of the Code.

(c) Notwithstanding the foregoing, the State hereby reserves the right to elect to issue Notes and Bonds the interest on which is not exempt from Federal income taxation, if such election is made prior to the issuance of such Notes and Bonds, and the covenants contained in this Section shall not apply to such Notes and Bonds.

Section 7.7. Performance of All Obligations and Covenants Under this Indenture. The State shall comply with and perform, or cause to be complied with and performed, all acts, things, covenants, agreements, obligations, duties and provisions, express or implied, required to be done or performed by or on its behalf under this Indenture, any Supplemental Indenture and the Bonds, in accordance with the terms hereof and thereof.

Section 7.8. To Maintain Paying Agents. The State will at all times keep in those cities in which a Paying Agent or Paying Agents appointed in this Indenture are located, an office or agency (which may be the office in each such respective city of such Paying Agent in such city appointed in this Indenture) at which Bonds may be presented for payment.

Section 7.9. State Taxation. The State hereby covenants with the purchasers and all subsequent holders and transferees of any of the Notes or the Bonds, in consideration of the acceptance of and payment for the Notes and Bonds, that such Notes and Bonds shall at all times be free from taxation, except for estate and gift taxes, imposed by the State or by any political subdivision thereof. Interest paid on the Notes or Bonds shall be exempt from any tax on or measured by income or net income imposed by the State or by any political subdivision thereof, including, without limitation, any tax on interest income imposed by the State or by any political subdivision thereof.

Section 7.10 Issuance of Prior Bonds or Notes. The State shall not issue Prior Bonds under the Prior Indenture unless Bonds could have been issued under Section 2.2 hereof upon the same terms and in the same principal amount. The State shall not issue any bond anticipation notes under the Prior Indenture.

ARTICLE VIII

CONCERNING THE TRUSTEE AND THE PAYING AGENTS

Section 8.1. Qualification of Trustee. The Trustee and any successor Trustee appointed hereunder shall at all times during the term of this Indenture be a bank or trust company having the powers of a trust company within or without the State of Connecticut, with capital stock, surplus and undivided profits aggregating in excess of Fifty Million Dollars (\$50,000,000). If the Trustee publishes reports of conditions at least annually pursuant to law or pursuant to the requirements of a supervising or examining authority of the United States of America or any State, then for the purposes of determining its qualifications hereunder, the capital stock, surplus and undivided profits of the Trustee at any time shall be deemed to be its capital stock, surplus and undivided profits as set forth in the most recent report of condition so published. The Trustee shall have only such duties and obligations as are expressly provided for by this Indenture, and no other duties or obligations shall be implied.

Section 8.2. Resignation or Removal of Trustee; Successor. (a) The Trustee may be removed at any time by an instrument or concurrent instrument in writing, signed by the holders of not less than a majority in principal amount of the Bonds then outstanding and filed with the State Treasurer. A copy of each such instrument shall be delivered promptly by the State to the Trustee. The Trustee also may be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the State or the holders of not less than five percent (5%) in aggregate principal amount of the Bonds then outstanding hereunder. The Trustee may resign as Trustee hereunder at any time by giving not less than sixty (60) days' notice to the State Treasurer and by mailing a notice of resignation within ten (10) days after giving such notice in the manner in which notices of redemption of Bonds are to be mailed pursuant to Section 4.3 hereof.

(b) If at any time the Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or if the bank or trust company acting as Trustee shall be taken over by any governmental official, agency, department or board, the position of Trustee shall become vacant. If the position of Trustee shall become vacant, the State Treasurer shall appoint a Trustee to fill such vacancy. The State Treasurer shall mail a notice of any such appointment by it made to Bondholders in the manner in which notices of redemption are to be mailed pursuant to Section 4.3 hereof. Any successor Trustee shall meet the qualifications of subsection (a) of Section 8.1 of this Indenture. Such successor Trustee shall execute, acknowledge and deliver to its predecessor, and also to the State, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed or conveyance shall become fully vested with all rights, powers, trusts, duties and obligations of its predecessor in trust hereunder; and every predecessor Trustee shall deliver all property and moneys held by it hereunder to its successor. The successor Trustee shall have no responsibility for the acts of the predecessor Trustee.

Any corporation into which the Trustee or any successor Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Trustee or any successor Trustee may sell or transfer all or substantially all of its corporate trust business, shall be the successor Trustee under this Indenture without the execution or filing of any paper or any further action on the part of the parties hereto, anything herein to the contrary notwithstanding; provided such corporation meets the qualifications required by subsection (a) of Section 8.1 of this Indenture.

Section 8.3. Liability of Trustee. (a) The Trustee shall not be responsible or have any liability for any act of the State or of any other Trustee. The Trustee shall not be responsible in any manner whatsoever for the correctness of recitals, statements and representations in this Indenture or in the Bonds, all of which are made by the State solely. The Trustee makes no representation as to the validity of this Indenture or the Bonds issued hereunder, and the Trustee shall not incur any liability or responsibility in respect to such matters.

(b) Prior to an Event of Default as defined in Section 9.1 hereof of which a responsible officer of the Trustee as Trustee hereunder has actual knowledge, and after the curing or waiving of all such Events of Default, the Trustee (1) shall not be liable except for the performance of such duties as are specifically set out in this Indenture to be performed by the Trustee in the absence of, or without regard to, an Event of Default; and (2) may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, in the absence of bad faith on the part of the Trustee, upon certificates or opinions conforming to the requirements of this Indenture. In case of an Event of Default as defined in Section 9.1 hereof of which the Trustee has actual knowledge, the Trustee shall exercise such rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct except that the Trustee shall at all times be protected from liability for any error of judgment made in good faith by a responsible officer or officers unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts. The Trustee shall be protected when acting in good faith and upon advice of counsel who may be counsel to the State.

Section 8.4. Statement of Trustee of Accounts and Other Matters. Not more than sixty (60) days after the close of each Fiscal Year the Trustee hereunder shall furnish the State and any Bondholder filing with the Trustee a written request for a copy, a statement setting forth (to the extent applicable) in respect to such Fiscal Year, (a) all transactions relating to the receipt, disbursement and application of all moneys received by the Trustee pursuant to the terms of this Indenture, (b) the amount held by the Trustee at the end of such Fiscal Year to the credit of each fund and account provided for in this Indenture, (c) a brief description of all obligations held by the Trustee as an investment of moneys in any fund or account hereunder as of the end of such Fiscal Year, (d) the principal amount of Bonds purchased by the Trustee during such Fiscal Year from moneys available therefor in any fund or account pursuant to the provisions of this Indenture and the respective purchase price of such Bonds, (e) in the case of the Trustee, the principal amount of Bonds redeemed or retired during such Fiscal Year and the redemption prices thereof, if any, and (f) any other information which the State may reasonably request. Not more than fifteen (15) days after the close of each calendar month the Trustee shall furnish to the State an unaudited statement setting forth (to the extent applicable) in respect of such calendar month the information required by clauses (a) through (f) of the preceding sentence to be included in the Trustee's statement in respect of each Fiscal Year.

Section 8.5. Trustee to Maintain List of Bondholders: Certain Duties of Trustee With Respect Thereto. In addition to the requirements of Section 3.5 hereof, the Trustee shall maintain and keep a list of the names and addresses of the holders of the Bonds (a) furnished to it by any Paying Agent hereunder pursuant to provisions of Section 8.7 hereof; (b) received by it in the capacity as a Paying Agent (if so acting) under this Indenture; and (c) filed with it pursuant to the provisions of the next sentence hereof. Any holder of Bonds may file his name and address and a statement of the principal amount of Bonds held by such holder and the numbers of such Bonds with the Trustee for inclusion upon such list. The Trustee may (a) destroy any list furnished to it pursuant to the provisions of Section 8.7 hereof upon receipt of a new list so furnished; (b)

destroy any information received by it as a Paying Agent (if so acting) hereunder upon delivering to itself as the Trustee not earlier than forty-five (45) days after any interest payment date of the Bonds a list containing the names and addresses of the holders of Bonds obtained from such information since the delivery of the next previous list, if any, and (c) destroy any list delivered to itself as the Trustee hereunder which was compiled from information received by it as Paying Agent (if so acting) hereunder upon receipt of a new list so delivered. At reasonable times and under reasonable regulations established by the Trustee, such list may be inspected and copied by the State or by the holders or owners (or a designated representative thereof) of twenty percent (20%) or more in principal amount of Bonds then outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 8.6. Trustee May File Proofs of Claims and Other Papers and Documents. The Trustee hereunder may file such proofs of claims and other papers or documents as may be necessary or advisable in order to have claims of such Trustee and of the holders of the Bonds allowed in any judicial proceedings relative to the State or its creditors or properties.

Section 8.7. Paying Agents: Paying Agents to Hold Moneys in Trust and to Furnish List of Bondholders. All Bonds shall be payable at the principal office of the Trustee as principal Paying Agent therefor. The State will from time to time give written notice to the Trustee of the location of each Paying Agent if the appointment thereof was made by the State without prior knowledge of the Trustee.

Each Paying Agent shall hold in trust for the benefit of the holders of the Bonds and the Trustee all sums held by such Paying Agent for the payment of the principal of and interest on the Bonds and shall give to the Trustee notice of any default by the State in the making of any such payment. Anything in this paragraph to the contrary notwithstanding, the State may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, cause to be paid to the Trustee all sums held in trust by any Paying Agent hereunder as required by this paragraph, such sums to be held by the Trustee upon the trusts herein contained, and such Paying Agent shall thereupon be released from all further liability with respect to such sums.

Each Paying Agent shall furnish to the Trustee at such times as the Trustee may request in writing, within thirty (30) days after receipt by the Paying Agent of such request, a list or lists in such form as the Trustee may reasonably require containing all information in the possession or control of such Paying Agent as to the names and addresses of the holders of the Bonds obtained by such Paying Agent since the date as of which the next previous list, if any, was furnished by such Paying Agent to the Trustee. Any such list may be dated as of a date not more than fifteen (15) days prior to the time such information is furnished or caused to be furnished and need not include information received after such date.

Section 8.8. Trustee and Paying Agents May Buy, Hold, Sell or Deal in Bonds and Other Indebtedness of State. Except to the extent prohibited by law, the Trustee and its directors, officers, employees or agents, and each Paying Agent and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds issued under the provisions of this Indenture and may join in any action which any holder of a Bond may be entitled to take, with like effect as if the Trustee or Paying Agent were not a trustee or a Paying Agent, as the case may be, under this Indenture. Except to the extent prohibited by law, the Trustee or any Paying Agent may in good faith hold any other form of indebtedness of the State; own, accept or negotiate any drafts, bills of exchange, acceptances or obligations of the State; make disbursements for the State; and enter into any commercial or business arrangement with the State.

Section 8.9. Reimbursement of Trustee and Paying Agents Hereunder for Fees, Expenses and Charges. The Trustee shall be entitled to reasonable fees and reimbursement by the State for all expense charges, counsel fees and other disbursements reasonably incurred by it in the performance of its duties and powers under this Indenture, including those of its attorneys, agents and employees, and the State shall indemnify the Trustee for, and hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. Each Paying Agent shall also be entitled to reasonable fees and to reimbursement by the State for all expenses and charges reasonably incurred by it in the performance of its duties hereunder. Such reasonable fees and reimbursements shall be deemed to be Debt Service Requirements for all purposes hereunder and entitled to the benefit of the security granted hereunder.

ARTICLE IX

EVENTS OF DEFAULT; REMEDIES UPON OCCURRENCE THEREOF

Section 9.1. Events of Default. Each of the following is hereby defined as and declared to be and shall constitute an "Event of Default": If

- (a) payment of the principal of any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption; or
- (b) payment of any installment of interest on Bonds shall not be made when the same shall become due and payable or within thirty (30) days thereafter; or
- (c) the State shall default in the due and punctual performance of any other covenants, conditions, agreements and provisions contained in the Bonds, this Indenture or any Supplemental Indenture on the part of the State to be performed, other than contained in Section 5.1 of this Indenture and such default shall continue for ninety (90) days after written notice specifying such failure and requiring the same to be remedied shall have been given to the State by the Trustee or by the holders of not less than twenty percent (20%) in principal amount of the Bonds then outstanding; provided that if any such failure shall be such that it cannot be cured or corrected within such ninety (90) day period, it shall not constitute an Event of Default hereunder if curative or corrective action is instituted within such period and diligently pursued until the failure of performance is cured or corrected; and provided further, that no failure to observe the covenant of Section 7.1 of this Indenture shall constitute an Event of Default unless within one year after written notice by the Trustee of such failure the State shall not have enacted legislation such that the conditions contained in Sections 2.2(b)(1) and 2.2(b)(2) hereof could have been satisfied if Additional Bonds were then to be issued; or
- (d) the State shall be adjudged insolvent by a court of competent jurisdiction; or
- (e) any proceedings shall be instituted with the consent or acquiescence of the State for the purpose of effecting a composition between the State and its creditors and if the claim of such creditors is in any circumstance payable from the Pledged Revenues or any other moneys or assets pledged and charged in this Indenture, or for the purpose of adjusting the claims of such creditors, pursuant to any Federal or State statute now or hereafter enacted; or
- (f) the State shall for any reason be rendered incapable of fulfilling its obligations hereunder.

Section 9.2. Actions by Trustee Upon Event of Default. (a) Upon the happening and continuance of any Event of Default specified in Section 9.1 of this Indenture, then in every such case, in addition to any other remedies herein provided for, the Trustee (A) for and on behalf of the holders of the Bonds shall have the same rights hereunder which are possessed by any of the holders of the Bonds; (B) shall be authorized to proceed in its own name and as trustee of an express trust; (C) may and, upon the written request of not less than ten percent (10%) in aggregate principal amount of the Bonds then outstanding or the provider of any Credit Facility providing for the payment of the principal or purchase price of such aggregate principal amount of Bonds, shall, pursue any available remedy by action at law or suit in equity to enforce the payment of the principal of and interest and premium, if any, then due on the Bonds; and (D) may file such proofs of claim

and other papers or documents as may be necessary or advisable in order to have the claims of such Trustee and of the holders of the Bonds allowed in any judicial proceeding relative to the State, or its creditors, its property, or the Bonds.

(b) All rights of action under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings related thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name and as trustee of an express trust without the necessity of joining as plaintiffs or defendants any holders of the Bonds and any recovery of judgment shall be for the equal benefit of the holders of the Bonds.

(c) In the enforcement of any remedy under this Indenture the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts, then or during any Event of Default becoming, and at any time remaining, due from the State and unpaid for principal, premium, interest or otherwise under any of the provisions of this Indenture or of the Bonds, with interest on overdue payments if such interest then is permitted by the laws of the State of Connecticut, at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the State, but solely as provided herein and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable. Any such judgment shall be recovered by the Trustee in its own name and as trustee of an express trust.

(d) In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case the State, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

(e) No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the holders of the Bonds is intended to be exclusive of any other remedy now or thereafter existing at law or in equity or by statute, and each and every remedy shall be cumulative and in addition to any other remedy given hereunder to the Trustee or to the holders of the Bonds. Every such right, power and remedy given hereunder or by law or in equity or by statute may be exercised from time to time as often as may be deemed expedient.

(f) No delay or omission of the Trustee or of any holder of a Bond to exercise any right or power accruing upon default or an Event of Default occurring and continuing under this Indenture shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein.

(g) No holder of any of the Bonds shall have any right in any manner whatever to affect, disturb or prejudice the security of this Indenture or to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all of the holders of the Bonds.

(h) Before taking any remedial action under subsection (a) of this Section 9.2, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from the negligence or willful default of the Trustee by reason of any action so taken.

Section 9.3. Disposition of Money in Event of Insufficiencies in Funds and Accounts. (a) If at any time the moneys in the Bond Service Sub-Account, the Redemption Sub-Account, and the Reserve Account shall not be sufficient to pay the interest or principal or premium, if any, or the redemption price of the Bonds and payment obligations under a Credit Facility or Qualified Swap as the same become due and payable (whether at maturity or upon proceedings for the redemption thereof or otherwise), the moneys in such accounts, together with any other moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article IX or otherwise, shall be applied as follows:

First: to the payment to the persons entitled thereto of all installments of interest then due and obligations in respect of interest payments made by the provider of a Credit Facility, in the order of the maturity of the installments of such interest, and if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds or such Credit Facility;

Second: to the payment to the persons entitled thereto of unpaid principal, obligations other than in respect of interest payments to a provider of a Credit Facility and obligations under a Qualified Swap which shall have become due, in the order of the dates such amounts became due, with interest upon such amounts from the respective dates upon which such amounts became due, and, if the amount available shall not be sufficient to pay in full the amounts due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the interest due on such date, and then to the payment of such amount, ratably according to the amount due on such date, to the persons entitled thereto without any discrimination or preference; and

Third: to the payment of the interest and premium, if any, on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of this Indenture.

(b) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid, with interest on such principal as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

(c) Whenever moneys are to be applied by the Trustee pursuant to the provisions of subparagraph (a) of this Section 9.3: (i) such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; (ii) the deposit of such moneys, in trust for the proper purpose, shall constitute proper application by the Trustee; and (iii) the Trustee shall incur no liability whatsoever to the State, to any Bondholder or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall

give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the holder of any unpaid Bond until such Bond shall be surrendered to the Trustee for appropriate endorsement, or for cancellation if fully paid.

ARTICLE X

AMENDING AND SUPPLEMENTING OF INDENTURE

Section 10.1. Amending and Supplementing of Indenture Without Consent of Bondholders. The Trustee and the State, from time to time and at any time and without the consent or concurrence of any holder of any Bond, may enter into indentures amendatory hereof or supplemental hereto (herein defined and referred to as "Supplemental Indentures"): (i) for the purpose of providing for the issuance of Additional Bonds and Refunding Bonds pursuant to the provisions of Article II hereof, (ii) to make any changes or modifications hereof or amendments, additions or deletions hereto which may be required to permit the Indenture to be qualified under the Trust Indenture Act of 1939, as amended, (iii) to provide for the issuance of Bonds or any series of Bonds in book-entry form, in coupon form or registered as to principal only, and (iv) if the provisions of such Supplemental Indenture shall not adversely affect the rights of the holders of the Bonds then outstanding, for any one or more of the following purposes:

1. To make any changes or corrections in this Indenture to the extent they shall have been advised by their counsel that the same are technical wording corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in this Indenture, or to insert in this Indenture such provisions clarifying matters or questions arising under this Indenture as are necessary or desirable; or
2. To add additional covenants and agreements of the State for the purpose of further securing the payment of the Bonds; or
3. To surrender any right, power or privilege reserved to or conferred upon the State by the terms of this Indenture; or
4. To confirm as further assurance any lien, pledge or charge, or the subjection to any lien, pledge or charge, created or to be created by the provisions of this Indenture; or
5. To grant to or confer upon the holders of the Notes and the Bonds any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon them, or to grant to or confer upon the Trustee for the benefit of the holders of the Notes and the Bonds any additional rights, duties, remedies, power or authority; or
6. To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the State payable from the Pledged Revenues; or
7. To modify in any other respect any of the provisions of this Indenture, provided that such modifications shall have no effect as to any Bond or Bonds which are then outstanding.

Except for Supplemental Indentures providing for the issuance of Bonds and Refunding Bonds pursuant hereto or required to permit this Indenture to be qualified under the Trust Indenture Act of 1939, as amended, or providing for the issuance of Bonds or any series of Bonds in book-entry form, in coupon form or registered as to principal only, the State and the Trustee shall not enter into any Supplemental Indenture authorized by the foregoing provisions of this Section unless in the opinion of counsel (which opinion may be combined with the opinion required by Section 10.4 hereof) the adoption of each Supplemental

Indenture is permitted by the foregoing provisions of this Section, the provisions of such Supplemental Indenture do not adversely affect the rights of the holders of the Bonds then outstanding, and, except for Supplemental Indenture adopted pursuant to subparagraph 7 above, the provisions of such Supplemental Indenture are not contrary to or inconsistent with the covenants or agreements of the State contained in this Indenture as originally executed by the State and the Trustee or as amended or supplemented with the consent of the holders of the Bonds.

Section 10.2. Amendment of Indenture With Consent of Bondholders. With the consent of the holders of not less than sixty percent (60%) of the Bonds then outstanding in aggregate principal amount, the State and the Trustee, from time to time and at any time, may enter into indentures amendatory hereof or supplemental hereto (herein also defined and referred to as "Supplemental Indentures"), for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of this Indenture, or modifying or amending the rights and obligations of the State and the Trustee hereunder, or modifying in any manner the rights of the holders of the Bonds then outstanding; provided, however, that, without the specific consent of the holder of each such Bond which would be affected thereby, no such Supplemental Indenture amending or supplementing the provisions hereof shall: (1) change the fixed maturity date for the payment of the principal of any Bond or the dates for the payment of interest thereon or the terms of the redemption thereof, or reduce the principal amount of any Bond or the rate of interest thereon or the redemption premium payable upon the redemption or prepayment thereof; or (2) reduce the aforesaid percentage of Bonds, the holders of which are required to consent to any such Supplemental Indenture amending or supplementing the provisions of this Indenture; or (3) give to any Bond or Bonds any preference over any other Bond or Bonds secured hereby; (4) authorize the creation of any pledge or prior call on the moneys and other assets of the Trust Estate or any lien or charge thereon prior, superior or equal to the pledge of and lien and charge thereon created herein for the payment of the Bonds; or (5) deprive any holder of the Bonds of the security afforded by this Indenture. A modification or amendment of the provisions of Article V hereof with respect to the funds and accounts created hereby shall not be deemed a change in the terms of payment of the Bonds; provided, however, that no such modification or amendment shall, except upon the consent of the holders of all Bonds then outstanding affected thereby, reduce the amount or amounts required by Section 5.1 hereof to be deposited into the Debt Service Account for credit to the Bond Service Sub-Account and Redemption Sub-Account therein or the application of such amounts in accordance with the provisions of Section 5.5 hereof or the amount or amounts required by Section 5.1 hereof to be deposited into the Reserve Account or reduce the priority of such deposits. (Nothing herein contained, however, shall be construed as making necessary the approval of the holders of the Bonds of the adoption of any Supplemental Indenture authorized by the provisions of Section 10.1 hereof).

It shall not be necessary that the consents of the holders of the Bonds approve the particular form or wording of the proposed amendment or supplement or of the Supplemental Indenture effecting such amendment or supplement, but it shall be sufficient if such consents approve the substance of the proposed amendment or supplement. After the holders of the required percentage of Bonds shall have filed their consents to the amending or supplementing hereof pursuant to this Section, the Trustee shall mail a copy of such notice, postage prepaid (1) to each registered owner of Bonds then outstanding, at his address, if any, appearing upon the books of registry maintained pursuant to Section 3.5 hereof, and (2) to each holder of any Bond whose name then appears upon the list maintained pursuant to Section 8.5 hereof, but failure to mail copies of such notice to any of such owners or holders shall not affect the validity of the Supplemental Indenture effecting such amendments or supplements or the consents thereto. (Nothing in this Section contained, however, shall be construed as requiring the giving of notice of any amending or supplementing of this Indenture authorized by Section 10.1 hereof). A record, consisting of the papers required by this Section, shall be proof of the matters therein stated until the contrary is proved. No action or proceeding to set aside or invalidate such Supplemental Indenture or any of the proceedings for its adoption shall be

instituted or maintained unless such action or proceeding is commenced within sixty (60) days after the publication of the notice required by this Section.

Section 10.3. Notation Upon Bonds: New Bonds Issued Upon Amendments. Bonds delivered after the effective date of any action taken as provided in this Article may bear a notation as to such action, by endorsement or otherwise and in form approved by the Trustee. In that case, upon demand of the holder of any Bond outstanding at such effective date and the presentation of his Bond for the purpose of notation at the office of the Trustee or other Paying Agent, or Registrar and Transfer Agent hereunder for such Bond and at such additional offices as the State may select and designate for that purpose, a suitable notation shall be made on such Bond. If the State shall so determine, new Bonds so modified as in the opinion of the State to conform to the amendments or supplements made pursuant to this Article, shall be prepared, executed and delivered, and upon demand of the holder of any Bond then outstanding shall be exchanged without cost to such holder, for Bonds then outstanding, upon surrender of such outstanding Bonds.

Section 10.4. Effectiveness of Supplemental Indentures. Upon the execution pursuant to this Article and applicable law by the State and the Trustee of any Supplemental Indenture amending or supplementing the provisions of this Indenture and the delivery to the Trustee of an opinion of counsel to the State that such Supplemental Indenture is in due form, has been duly adopted in accordance with the provisions hereof and applicable law and that the provisions thereof are valid and binding upon the State (upon which opinion the Trustee, subject to the provisions of Section 8.3 hereof, shall be fully protected in relying), or upon such later date after delivery of such Supplemental Indenture and opinion to the Trustee as may be specified in such Supplemental Indenture, (i) this Indenture and the Bonds shall be modified and amended in accordance with such Supplemental Indenture; (ii) the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the State, the Trustee and the holders of the Bonds shall thereafter be determined, exercised and enforced under this Indenture subject in all respects to such modifications and amendments; and (iii) all of the terms and conditions of any such Supplemental Indenture shall be a part of the terms and conditions of the Bonds and of this Indenture for any and all purposes.

ARTICLE XI

DEFEASANCE; MONEYS HELD FOR PAYMENT OF DEFEASED BONDS

Section 11.1. Discharge of Liens and Pledges: Bonds No Longer Outstanding and Deemed to Paid Hereunder. The obligations of the State under this Indenture and the liens, pledges, charges, trusts or assignments, covenants and agreements of the State herein made or provided for, shall be fully discharged and satisfied as to any Bond and such Bond shall no longer be deemed to be outstanding hereunder and shall be deemed to have been paid for all purposes of Section 11.2 hereof,

(i) when such Bond shall have been cancelled, or shall have been surrendered for cancellation and is subject to cancellation, or shall have been purchased by the Trustee from moneys in the Debt Service Fund held by it under this Indenture; or

(ii) as to any Bond not cancelled or surrendered for cancellation or subject to cancellation or purchased, when payment of the principal of and the applicable redemption premium, if any (the applicable redemption price) on such Bond, plus interest on such principal to the due date thereof (whether such due date be by reason of maturity or upon redemption or prepayment or by declaration as provided in subsection (a) (iii) of Section 9.2 of this Indenture, or otherwise), either (a) shall have been made or caused to be made in accordance with the terms thereof, or (b) shall have been provided by irrevocably depositing with the Trustee or Paying Agents for such Bond in trust, and irrevocably appropriated and set aside exclusively for such payment, either (1) moneys sufficient to make such payment or (2) Governmental Obligations (as defined hereinafter in this Section) maturing as principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, or (3) a combination of both such moneys and such Governmental Obligations, whichever the State deems to be in its best interest, and all necessary and proper fees, compensation and expenses of the Trustee and the Paying Agents for the Bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee and such Paying Agents; provided, however, that nothing in this Section shall require the State to redeem term bonds in accordance with any optional fund installment schedule specified in this Indenture or any Supplemental Indenture authorizing the issuance of Bonds.

At such time as a Bond shall be deemed to be no longer outstanding hereunder, as aforesaid, such Bond shall cease to draw interest from the due date thereof (whether such due date be by reason of maturity, or upon redemption or prepayment or by declaration as aforesaid, or otherwise) and, except for the purpose of any payment from such moneys or Governmental Obligations, shall no longer be secured by or entitled to the benefits of this Indenture.

Any such moneys so deposited with the Trustee or other Paying Agent as provided in this Section may, at the direction of the State also be invested and reinvested in Governmental Obligations, maturing in the same amounts and times as hereinbefore set forth, and all income from all Governmental Obligations in the hands of the Trustee and the Paying Agents pursuant to this Section which is not required for the payment of the principal of the Bonds and interest and premium, if any, thereon with respect to which such moneys shall have been so deposited, shall be paid to the State, and deposited in the Special Transportation Fund as and when realized and collected for use and application as are other moneys deposited in that Fund.

For the purposes of this Section, the term "Governmental Obligations" shall mean any of the following which are noncallable and non-prepayable and which at the time are legal investments for the money.

proposed to be invested therein: (i) direct general obligations of, or obligations the payment of the principal and interest of which are unconditionally guaranteed by, the United States of America.

Notwithstanding any provision of any other Section of this Indenture which may be contrary to the provisions of this Section, all moneys or Governmental Obligations set aside and held in trust pursuant to the provisions of this Section for the payment of the principal of the Bonds (and interest and premium thereon, if any,) shall be applied to and used solely for the payment of the particular Bond (including interest and premium thereon, if any, or redemption price thereof) with respect to which such moneys and Governmental Obligations have been so set aside in trust.

The State may at any time surrender to the Trustee for cancellation by it any Bonds previously executed and delivered, which the State may have acquired in any manner whatsoever, and such Bonds upon such surrender for cancellation shall be deemed to be paid and no longer outstanding hereunder.

Section 11.2. Release of Indenture; Termination of Right, Title and Interest of Trustee. When all the Bonds shall be deemed to be paid in accordance with the provisions of Section 11.1 hereof and amounts under any reimbursement or other agreement with respect to any Credit Facility or Qualified Swap have been paid in full, then and in that case all right, title and interest of the Trustee under this Indenture shall thereupon cease, determine and become void, and the Trustee in such case, on demand of the State, shall release this Indenture and shall execute such documents to evidence such release as may be reasonably required by the State, and shall turn over to the State any surplus moneys and balances remaining in any of the funds and accounts created in or held under this Indenture, other than moneys and Governmental Obligations (as defined in Section 11.1 hereof) held by it pursuant to the second-to-last paragraph of Section 11.1 hereof or the provisions of Section 11.3 hereof for the redemption, payment or prepayment of Bonds or coupons; otherwise, this Indenture shall be, continue and remain in full force and effect.

Section 11.3. Bonds Not Presented for Payment When Due: Moneys Held for the Bonds After Due Date of Bonds. Subject to the provisions of the next sentence of this paragraph, if any Note or Bond shall not be presented for payment when the principal thereof shall become due, whether at maturity or at the date fixed for the redemption thereof or upon declaration as provided in subsection (a) (iii) of Section 9.2 of this Indenture, or otherwise, and if moneys or Governmental Obligations shall at such due date be held by the Trustee or a Paying Agent therefor in trust for that purpose sufficient and available to pay the principal and the premium, if any of such Bond, together with all interest due on such principal to the due date thereof or to the date fixed for redemption thereof, as the case may be, all liability of the State for such payment shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee or such Paying Agent to hold such moneys or Governmental Obligations, without liability to such Bondholder for interest thereon, in trust for the benefit of the holder of such Note or Bond, as the case may be, who thereafter shall be restricted exclusively to such moneys or Governmental Obligations for any claim of whatever nature on his part on or with respect to such Note or Bond including any claim for the payment thereof. Any such moneys or Governmental Obligations held by the Trustee or any Paying Agent remaining unclaimed by the holders of such Notes and Bonds for six (6) years after the principal of the respective Bonds with respect to which such moneys or Governmental Obligations have been so set aside has become due and payable (whether at maturity or upon redemption or prepayment or upon declaration as provided in subsection (a) (iii) of Section 9.2 of this Indenture, or otherwise) shall upon the written request of the State be paid to the State, against its written receipt therefor, and the holders of such Bonds shall thereafter be entitled to look only to the State for payment thereof, such payment to the State, the Trustee or such other Paying Agents may, at the expense of the State, publish in the same newspaper or newspapers in which notices of redemption are to be published pursuant to the a notice, in such form as may be deemed appropriate by such Paying Agents, listing the Notes and Bonds so payable and not presented and stating that such moneys remain

unclaimed and that after a date set forth therein any balance thereof then remaining will be returned to the State.

ARTICLE XII
MISCELLANEOUS

Section 12.1. Benefits of Indenture Limited to State, Trustee, Providers of Credit Facilities and Qualified Swaps, and Bondholders. With the exception of rights or benefits herein or in a Credit Facility or Qualified Swap expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Notes or the Bonds is intended or should be construed to confer upon or give to any person other than the State, the Trustee and the holders of the Notes and Bonds, and the providers of any Credit Facility or Qualified Swap, any legal or equitable right, remedy or claim under or by reason of or in respect to this Indenture or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Indenture and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the State, the Trustee, the holders from time to time of the Notes and Bonds and the providers of any Credit Facility or Qualified Swap as herein and therein provided.

Section 12.2. Indenture a Contract. Indenture Binding upon Successors or Assigns of State. In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, each of the obligations, duties, limitations and restraints imposed upon the State by this Indenture shall be deemed to be a covenant between the State and the Trustee and every holder of the Bonds, and this Indenture and every provision and covenant hereof shall be deemed to be and shall constitute a contract between the State and the Trustee and the holders from time to time of the Bonds.

All terms, provisions, conditions, covenants, warranties and agreements contained in this Indenture shall be binding upon the successors and assigns of the State, and shall inure to the benefit of the Trustee, its successors or substitutes in trust and assigns, and the holders of the Bonds.

Section 12.3. Bonds, Other Obligations and Liabilities of State Payable Solely Out of Certain Moneys; No Individual Liability Other Than for Breach of Trust. All expenses and obligations, and all debts, damages, judgments, decrees or liabilities, incurred by any agent, servant or employee of the State, in the execution of the purposes of this Indenture, shall be solely chargeable to and payable out of the Pledged Revenues and other moneys and assets of the State pledged and charged hereunder, and out of the moneys held by the Trustee under Article V hereof to the extent provided therein. In no event shall any officer, board member, director, agent or employee of the State in any manner be individually or personally liable (i) for the payment of the interest or principal or premium, if any, or redemption price on any of the Notes or the Bonds, or (ii) for any damage, or for breach of contract or obligations, caused by, arising from, incident to or growing out of the execution of this Indenture, nor shall any such persons be liable for the acts or omissions of each other, or of any other agent, servant or employee of the State, or of any successor thereto; provided, however, that the foregoing (a) shall not apply to any breach of trust by any such person, and (b) shall not relieve any such person from the performance of any duty provided or required hereby or by law.

Section 12.4. Cost of Furnishing Data by Trustee or State. Whenever provision is made in this Indenture for the furnishing to Bondholders upon request of any report, list, certificate, opinion or other document by the Trustee or the State, the cost of duplicating such report, list, certificate, opinion or other document shall be paid by such Bondholders.

Section 12.5. Evidence of State Action. Except as is specifically provided elsewhere in this Indenture, any determination, certification or action to be made by the State hereunder may be evidenced to the Trustee by a certification to that effect by an Authorized Officer.

Section 12.6. Notices to Bondholders. Except as is otherwise provided in this Indenture, any provision in this Indenture for the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed postage prepaid (a) to each registered owner of any of the Bonds then outstanding at his address, if any, appearing upon the books of registry kept pursuant to Section 3.5 hereof, (b) to each owner of any of such Bonds payable to bearer who shall have filed with the Trustee an address for notices, and (c) to each owner of any of the Bonds whose name and address appears upon the list maintained pursuant to Section 8.5 hereof.

Section 12.7. Notices to the State and the Trustee. Wherever in this Indenture notice or direction is required to be given to or request is required to be made of the State or the Trustee, the same shall be complied with by a letter or instrument in writing delivered in person or sent by registered mail, return receipt requested, with sufficient postage affixed, addressed respectively as follows:

(a) if to State, addressed to State Treasurer, State of Connecticut, 55 Elm Street, Hartford, Connecticut 06106, or at such other address as the State may have designated by written notice to the Trustee; and

(b) if (i) to the Trustee, addressed to Corporate Trust Administration, The Connecticut National Bank, 777 Main Street, Hartford, Connecticut 06115, or at such other address as the Trustee may have designated by written notice to the State, or (ii) to any successor trustee, addressed to it at its principal office.

Any notice or direction sent by mail shall be deemed to have been given or made upon the deposit of the letter or instrument containing such notice or direction into a mailbox or similar receptacle maintained by or under the custody or control of the United States Postal Service.

Section 12.8. Waiver of Notice. Whenever in this Indenture the giving of notice by mail, publication or otherwise is required, the giving of such notice may be waived by the person entitled to receive such notice, and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 12.9. Effect of Sundays and Legal Holidays. Whenever this Indenture requires any action to be taken on a Sunday or legal holiday, such action shall be taken on the first business day occurring thereafter. Whenever in this Indenture the time within which any action is required to be taken or within which any right will elapse or expire shall terminate on a Sunday or legal holiday, such time shall continue to run until midnight on the next succeeding business day.

Section 12.10. Partial Invalidity. If any one or more of the covenants or agreements or portions thereof provided in this Indenture on the part of the State or the Trustee or of any Paying Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this Indenture and the invalidity thereof shall in no way affect the validity of the other provisions of this Indenture or of the Bonds, but the holders of the Bonds shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

If any provision of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

Section 12.11. Law and Place of Enforcement of this Indenture. This Indenture shall be governed by, and construed and interpreted in accordance with, the laws of the State of Connecticut and all suits and actions arising out of this Indenture shall be instituted in a court of competent jurisdiction in such State.

Section 12.12. Indenture May be Executed in Counterparts. This Indenture may be simultaneously executed in counterparts. Each such counterpart so executed shall be deemed to be an original, and all together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the State of Connecticut has caused this Indenture to be signed by its Governor, Treasurer and Comptroller, and sealed the same with its seal attested by its Secretary of the State, and The Connecticut National Bank for itself, its successor or successors, has caused this Indenture to be signed and sealed by its duly authorized officers and has by its execution hereof signified its acceptance of the trust hereby created and imposed.

STATE OF CONNECTICUT

By: WILLIAM G. O'NEILL
Title: Governor
Date: _____

SEAL)

By: _____
Title: Treasurer
Date: _____

By: _____
Title: Comptroller
Date: _____

TEST:

By: _____
Title: Secretary of the State

SEAL)

THE CONNECTICUT NATIONAL BANK

By: _____
Title: _____
Date: _____

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OF CONNECTICUT

December 14/1990

OF HARTFORD

ss: Hartford

personally appeared for the State, WILLIAM A. O'NEILL, Governor, Signer and Sealer of the
; instrument and acknowledged the same to be the free act and deed of the State is free act and deed
nor, before me.

Howard G. Ryan

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WITNESS WHEREOF, the State of Connecticut has caused this Indenture to be signed by its Treasurer and Comptroller, and sealed the same with its seal attested by its Secretary of the State, and the Connecticut National Bank for itself, its successor or successors, has caused this Indenture to be signed by its duly authorized officers and has by its execution hereof signified its acceptance of the same as so created and imposed.

STATE OF CONNECTICUT

By: _____
Title: Governor
Date: _____

By:  _____
Title: Treasurer
Date: _____

By: _____
Title: Comptroller
Date: _____

Secretary of the State

THE CONNECTICUT NATIONAL BANK

By: _____
Title: _____
Date: _____

December 17, 1990

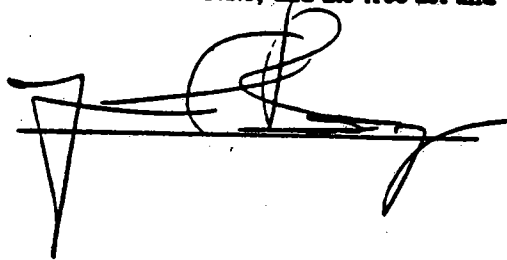
CONNECTICUT

ss: Hartford

OF HARTFORD

personally appeared for the State, FRANCISCO L. BORGES, Treasurer, Signer and Sealer of the instrument and acknowledged the same to be the free act and deed of the State, and his free act and seal, before me.

Erther Mayberry
Notary Public
Comm. Exp. 3/31/95

A handwritten signature in dark ink, appearing to be "Francisco L. Borges", written over a horizontal line.

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IN WITNESS WHEREOF, the State of Connecticut has caused this Indenture
nor, Treasurer and Comptroller, and sealed the same with its seal attested by its S
he Connecticut National Bank for itself, its successor or successors, has caused
l and sealed by its duly authorized officers and has by its execution hereof signifi
ist hereby created and imposed.

STATE OF CONNECTICUT

By: _____
Title: Governor
Date:

By: _____
Title: Treasurer
Date:

By: *William A. Linnick*
Title: Comptroller
Date: 12/14/90

ST:

le: Secretary of the State

THE CONNECTICUT NATIONAL BANK

By: _____
Title:
Date:

December 1, 1990

STATE OF CONNECTICUT

COUNTY OF HARTFORD

ss: Hartford

Personally appeared for the State, J. EDWARD CALDWELL, Comptroller, Signer and Sealer of the foregoing instrument and acknowledged the same to be the free act and deed of the State, and his free act and deed as Comptroller, before me.

Louise Grachello

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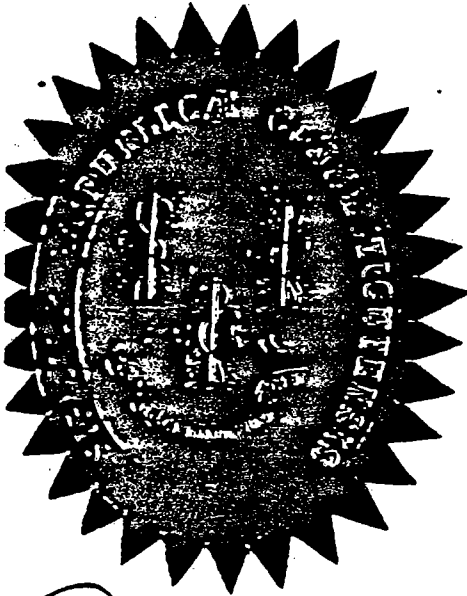
IN WITNESS WHEREOF, the State of Connecticut has caused this Indenture to be signed by its Governor, Treasurer and Comptroller, and sealed the same with its seal attested by its Secretary of the State, and The Connecticut National Bank for itself, its successor or successors, has caused this Indenture to be signed and sealed by its duly authorized officers and has by its execution hereof signified its acceptance of the trust hereby created and imposed.

STATE OF CONNECTICUT

By: _____
Title: Governor
Date: _____

By: _____
Title: Treasurer
Date: _____

By: _____
Title: Comptroller
Date: _____



ATTEST:

By: Celia H. Tashjian
Title: Secretary of the State

(SEAL)

THE CONNECTICUT NATIONAL BANK

By: _____
Title: _____
Date: _____

STATE OF CONNECTICUT)

COUNTY OF HARTFORD)

ss: Hartford

December __, 1990

Personally appeared for the Trustee, MICHAEL M. HOPKINS, Signer and Sealer of the foregoing instrument and acknowledged the same to be the free act and deed of the Trustee, and his/her free act and deed as I before me.

DAWN PICCOLI HEINTZ
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1992

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STATE OF CONNECTICUT, ISSUER
SECOND LIEN SPECIAL TAX OBLIGATION BONDS
TRANSPORTATION INFRASTRUCTURE PURPOSES

AMENDMENT NO. 1

Dated as of December 9, 1994

to the

INDENTURE OF TRUST

Dated as of December 1, 1990

between

STATE OF CONNECTICUT, ISSUER

And

SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION, TRUSTEE
(formerly known as The Connecticut National Bank)

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AMENDMENT NO. 1

Amendment No. 1, dated as of December 9, 1994 by and between the STATE OF CONNECTICUT, Issuer (the "State"), and SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION (formerly known as the Connecticut National Bank), as Trustee (the "Trustee").

WITNESSETH:

WHEREAS, pursuant to Public Act No. 84-254, as amended, the General Assembly in Special Act No. 84-52 has empowered the State Bond Commission to issue special tax obligation bonds in one or more series; and

WHEREAS, the Trustee and the State have heretofore executed and delivered an Indenture of Trust, dated as of September 15, 1984, as supplemented, authorizing the State to issue Special Tax Obligation Bonds from time to time in one or more series; and

WHEREAS, the State has heretofore issued Senior Lien Special Tax Obligation Bonds, Transportation Infrastructure Purposes in the aggregate principal amount of \$2,894,650,752 pursuant to the Indenture of Trust dated as of September 15, 1984, as supplemented to the date hereof by the First through Nineteenth Supplemental Indentures; and

WHEREAS, the Trustee and the State have heretofore executed and delivered an Indenture of Trust, dated as of December 1, 1990, as supplemented (the "Second Lien Indenture"), authorizing the State to issue Second Lien Special Tax Obligation Bonds from time to time in one or more series; and

WHEREAS, the State has heretofore issued Second Lien Special Tax Obligation Bonds, Transportation Infrastructure Purposes in the aggregate principal amount of \$250,000,000 pursuant to the Indenture of Trust dated as of December 1, 1990; and

WHEREAS, the Second Lien Indenture provides for the entry by the State and the Trustee into amendments and supplements to the Second Lien Indenture for purposes of making changes or corrections to the Second Lien Indenture to the extent that they are technical wording corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in the Second Lien Indenture, or to insert provisions clarifying matters or questions arising under the Second Lien Indenture as are necessary or desirable without the consent or concurrence of Bondholders; and

WHEREAS, the State desires to amend the Second Lien Indenture to reflect certain of such changes and corrections without the consent or concurrence of Bondholders; and

WHEREAS, the State Bond Commission has approved the form and substance of this Amendment No. 1 and all Second Lien Indenture conditions precedent to the adoption and execution of this Amendment No. 1 have been met;

NOW, THEREFORE, this Amendment No. 1 witnesseth, for and in consideration of the premises, and in compliance with the terms of the Second Lien Indenture, the State and the Trustee do hereby agree to amend the Second Lien Indenture as follows:

ARTICLE I

Definitions

Section 1.1 Definitions. For the purpose of this Amendment No. 1, the following terms shall have the following meanings:

"Amendment No. 1" shall mean this Amendment No. 1 to the Second Lien Indenture, dated as of December 9, 1994, by and between the State and the Trustee.

All other capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Second Lien Indenture.

ARTICLE II

Amendatory Changes to the Second Lien Indenture

Section 2.1. Section 2.2 of the Second Lien Indenture is hereby amended by the addition of the words "*and other receipts, funds or moneys pledged hereunder*" following every instance where the words "*Pledged Revenues*" currently appear.

Section 2.2. Subparagraph (6) of the first paragraph of Section 7.1 of the Second Lien Indenture is hereby amended by the substitution of the words "*the Pledged Revenues coverage requirements set forth in Section 2.4 hereof*" for every instance where the words "*Pledged Revenues coverage requirement*" currently appear.

Section 2.3. The second paragraph of Section 7.1 of the Second Lien Indenture is hereby amended by the addition of the words "*and other receipts, funds or moneys pledged hereunder*" following every instance where the words "*Pledged Revenues*" currently appear.

Section 2.4. Section 11.1 of the Second Lien Indenture are hereby amended by the deletion of the words "*or by declaration as provided in subsection (a)(iii) of Section 9.2 of this Indenture*" in every instance where such words currently appear.

Section 2.5. Section 11.3 of the Second Lien Indenture are hereby amended by the deletion of the words "*or upon declaration as provided in subsection (a)(iii) of Section 9.2 of this Indenture*" in every instance where such words currently appear.

ARTICLE III

Miscellaneous

Section 3.1 Counterparts. This Amendment No. 1 may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

Section 3.2 Ratification. Except as hereby expressly provided, the Second Lien Indenture is in all respects ratified and confirmed and all its terms, provisions and conditions shall be and remain in full force and effect. The Second Lien Indenture as so amended hereby shall be read, taken and construed as one and the same instrument.

IN WITNESS WHEREOF, the State of Connecticut has caused this Amendment No. 1 to be signed by its Governor, Treasurer or Deputy Treasurer and Comptroller, and sealed the same with its seal attested by its Secretary of State, and Shawmut Bank Connecticut, National Association, for itself, its successor or successors, has caused this Amendment No. 1 to be signed and sealed by its duly authorized officers.



STATE OF CONNECTICUT

By

Title: Governor

Date:

12/15/94

By

Title: Treasurer

Date:

By

Title: Comptroller

Date:

ATTEST:

By

Title: Secretary of State

Pauline R. Keizer

SHAWMUT BANK CONNECTICUT,
National Association

By

Title: Vice President

Date:

(SEAL)

ATTEST:

By

Title: Assistant Secretary

STATE OF CONNECTICUT)

COUNTY OF HARTFORD)

ss: Hartford December 15, 1994

Personally appeared for the State, LOWELL P. WEICKER, JR., Governor, Signer and Sealer of the foregoing instrument and acknowledged the same to be the free act and deed of the State, and his free act and deed as Governor, before me.

Bridget T. Moran
Bridget T. Moran

My Commission Expires on June 30, 1988

STATE OF CONNECTICUT)

COUNTY OF HARTFORD)

ss: Hartford December __, 1994

Personally appeared for the State, JOSEPH M. SUGGS JR., Treasurer, Signer and Sealer of the foregoing instrument and acknowledged the same to be the free act and deed of the State, and his free act and deed as Treasurer, before me.

STATE OF CONNECTICUT)

COUNTY OF HARTFORD)

ss: Hartford December __, 1994

Personally appeared for the State, WILLIAM E. CURRY JR., Comptroller, Signer and Sealer of the foregoing instrument and acknowledged the same to be the free act and deed of the State, and his free act and deed as Comptroller, before me.



STATE OF CONNECTICUT

By _____
Title: Governor
Date: _____

By *Joseph M. Suggs*
Title: Treasurer
Date: December 15, 1994

By _____
Title: Comptroller
Date: _____

ATTEST:

By *Pauline R. Keyes*
Title: Secretary of State

SHAWMUT BANK CONNECTICUT,
National Association

By _____
Title: Vice President
Date: _____

(SEAL)

ATTEST:

By _____
Title: Assistant Secretary

STATE OF CONNECTICUT)

COUNTY OF HARTFORD)

ss: Hartford December __, 1994

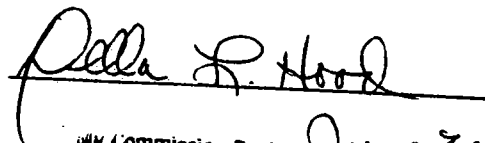
Personally appeared for the State, LOWELL P. WEICKER, JR., Governor, Signer and Sealer of the foregoing instrument and acknowledged the same to be the free act and deed of the State, and his free act and deed as Governor, before me.

STATE OF CONNECTICUT)

COUNTY OF HARTFORD)

ss: Hartford December 15, 1994

Personally appeared for the State, JOSEPH M. SUGGS JR., Treasurer, Signer and Sealer of the foregoing instrument and acknowledged the same to be the free act and deed of the State, and his free act and deed as Treasurer, before me.



My Commission Expires

June 30, 1997

STATE OF CONNECTICUT)

COUNTY OF HARTFORD)

ss: Hartford December __, 1994

Personally appeared for the State, WILLIAM E. CURRY JR., Comptroller, Signer and Sealer of the foregoing instrument and acknowledged the same to be the free act and deed of the State, and his free act and deed as Comptroller, before me.



STATE OF CONNECTICUT

By _____
Title: Governor
Date:

By _____
Title: Treasurer
Date:

By *[Signature]*
Title: Comptroller
Date: December 15, 1994

Bond Counsel
Opinions

ATTEST:

By *Pauline R. Keyer*
Title: Secretary of State

SHAWMUT BANK CONNECTICUT,
National Association

By _____
Title: Vice President
Date:

(SEAL)

ATTEST:

By _____
Title: Assistant Secretary

TE OF CONNECTICUT)
) ss: Hartford December __, 1994
NTY OF HARTFORD)

Personally appeared for the State, LOWELL P. WEICKER, JR., Governor, Signer and Sealer
e foregoing instrument and acknowledged the same to be the free act and deed of the State, and his
act and deed as Governor, before me.

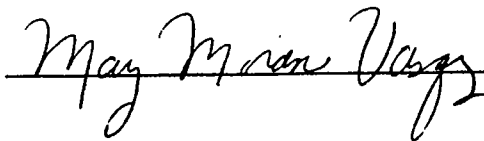
Bond Counsel
Opinions

TE OF CONNECTICUT)
) ss: Hartford December __, 1994
JNTY OF HARTFORD)

Personally appeared for the State, JOSEPH M. SUGGS JR., Treasurer, Signer and Sealer of the
going instrument and acknowledged the same to be the free act and deed of the State, and his free
nd deed as Treasurer, before me.

ATE OF CONNECTICUT)
) ss: Hartford December 15, 1994
UNTY OF HARTFORD)

Personally appeared for the State, WILLIAM E. CURRY JR., Comptroller, Signer and Sealer
he foregoing instrument and acknowledged the same to be the free act and deed of the State, and his
e act and deed as Comptroller, before me.



MARY MORAN VASQUEZ
NOTARY PUBLIC
MY COMMISSION EXPIRES APR. 30, 1996

STATE OF CONNECTICUT

(SEAL)

By _____
Title: Governor
Date:

By _____
Title: Treasurer
Date:

By _____
Title: Comptroller
Date:

ATTEST:

By _____
Title: Secretary of State

SHAWMUT BANK CONNECTICUT,
National Association

By _____
Title: Vice President
Date:

(SEAL)

ATTEST:

By C. Hamm
Title: Assistant Secretary

STATE OF CONNECTICUT)
COUNTY OF HARTFORD)

ss: Hartford December 19, 1994

Personally appeared for the Trustee, MICHAEL M. HOPKINS, Signer and Sealer of the foregoing instrument and acknowledged the same to be the free act and deed of the Trustee, and his free act and deed as Vice President, before me.

Michelle K. Blezard

MICHELLE K. BLEZARD
NOTARY PUBLIC
My Commission Expires August 31 1999

Bond Counsel
Opinions